



2009 Assessor / Trustee Joint Seminar



Welcome and Opening Remarks

Tom Fleming

Assistant to the Comptroller for Assessments

Locations and Dates

Knoxville

August 12, 2009

Jackson

August 20, 2009

Franklin

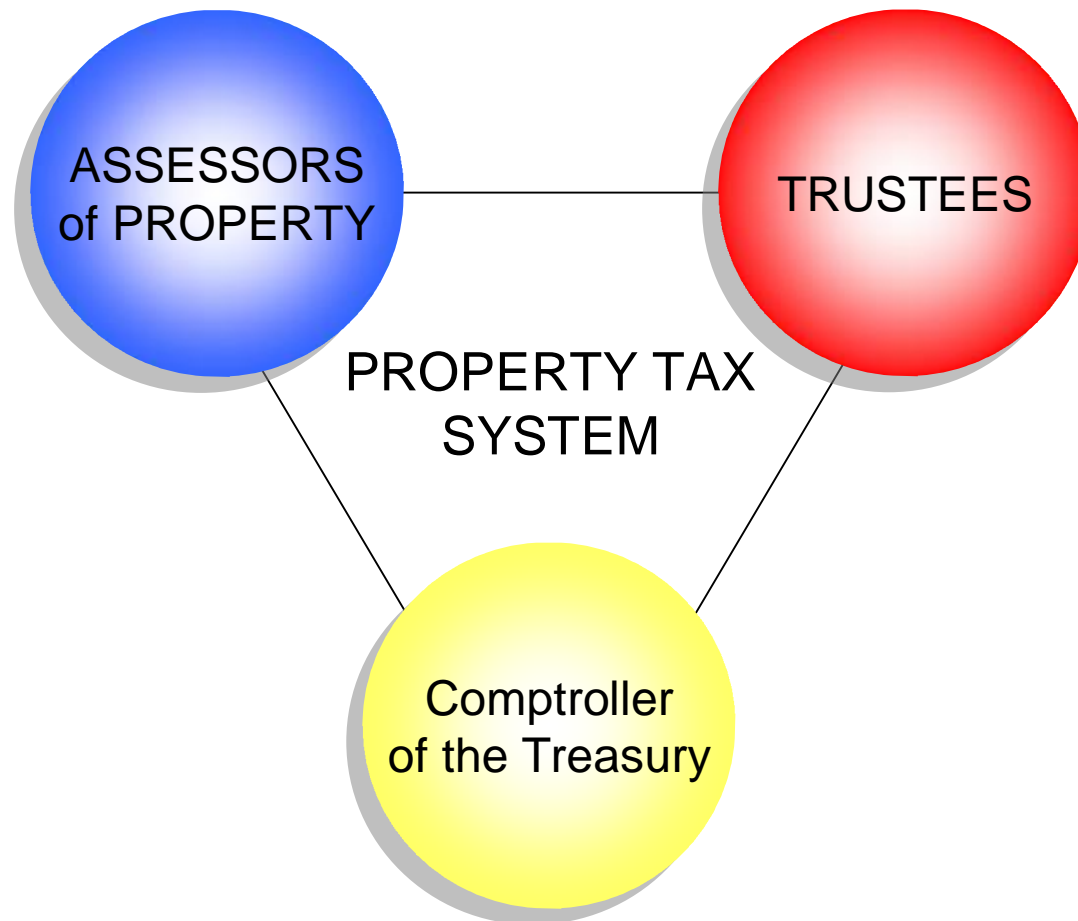
August 31, 2009



2009 Assessor / Trustee Joint Seminar



Unique Opportunity



2009 Assessor / Trustee Joint Seminar



Purpose and Goals of Seminar

Discussion of

- Various Roles and Responsibilities of the Offices Administering Tennessee's Property Tax System
- Local Impact of Recent Economic Conditions
- Budget Issues
- Statute / Rule Changes
- Future Challenges



History of Joint Assessor / Trustee Seminars

4th time these sessions have been conducted

Year	Subjects / Issues
2004	Annual Assessment Timeline, Personal Property Audits, Back Assessment / Reassessment, Rollback Taxes, Mobile Home Assessment, Exemptions, Tax Billing, Ownership and Property Transfer Issues
2005	Specific Roles and Responsibilities of County Offices and State Agencies in Regard to the Property Tax, Real Estate Assessment Data Web Site, Parcel Development, Tax Collection
2006	Seminar not held due to Trustee Election Cycle
2007	Comprehensive look at the new Tax Freeze Program: Specific Roles and Responsibilities of each Office/Agency with Tax Freeze, Jurisdictional Adoption, Eligibility Issues, Application Timeline, Verification, Tracking, Changes to Frozen Amounts
2008	Seminar not held due to Assessor Election Cycle
2009	Topics and Issues Solicited from Assessors and Trustees

2009 Assessor / Trustee Joint Seminar





Agenda

- 08:30 - 09:00 Registration and Sign In
- 09:00 - 09:15 Welcome and Opening Remarks
Tom Fleming, Assistant to the Comptroller for Assessments
- 09:15 - 09:45 Administration of the Property Tax under Current Economic Conditions
David Sherrill, Director, Division of Property Assessments
- 09:45 - 10:15 Business Tangible Personal Property Issues
Bobby Lee, General Counsel, Comptroller of the Treasury
- 10:15 - 10:30 Break
- 10:30 - 11:15 The Greenbelt Program and Rollback Assessments
John Allen, Staff Attorney, Comptroller of the Treasury
- 11:15 - 11:45 Economic Development Agreements and Payments In Lieu Of Tax (PILOTs)
Barry Monson, State Valuation Coordinator, Division of Property Assessments
- 11:45 - 12:15 Lunch (provided)
- 12:15 - 01:15 IMPACT, Tax Relief and Tax Freeze Programs
Susan Gullette, Assistant Director, Division of Property Assessments
Ken Morrell, Special Projects Manager, Division of Property Assessments
- 01:15 - 01:30 Break
- 01:30 - 02:00 The Certified Rate and Assessment Appeals Issues
Kelsie Jones, Executive Secretary, State Board of Equalization
- 02:00 - 02:30 Office of State Assessed Properties - The 96th Assessor
Gary Harris, Assistant Director, Office of State Assessed Properties
- 02:30 - 03:00 Wrap Up and Final Questions

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Continuing Education Credit

- CTAS County Officials Certificate Training Program (COCTP) **5 Hours**
- International Association of Assessing Officers (IAAO) **4.25 Hours**
- SBOE Assessment Training Program for Designees **5 Hours**



Copy of Full Presentation

- Will be available on the Division of Property Assessments' Home Page

www.tn.gov/comptroller/pa/



Introductions

2009 Assessor / Trustee Joint Seminar





Administration of the Property Tax under Current Economic Conditions

David Sherrill

Director, Division of Property Assessments



The “UP” and “DOWN” Economy

- Unemployment is UP ↑
- Property Values are DOWN ↓
- Bankruptcies are UP ↑
- Stock Market is DOWN ↓
- Home Foreclosures are UP ↑
- Retail Sales Revenues are DOWN ↓



The “UP” and “DOWN” Economy

- Unemployment is UP
- Property Values are DOWN ↓
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- Retail Sales Revenues are DOWN



Different Times, Same Mission

- Role of Assessor

Property Valuation and Assessment Administration

- Role of Trustee

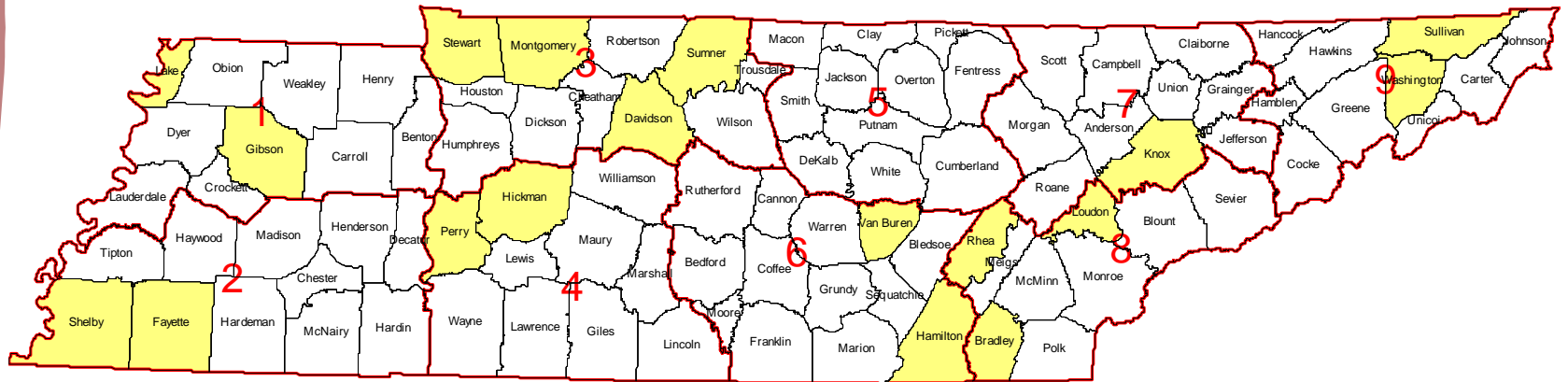
Property Tax Billing and Collection

- Role of Comptroller's Office

Effect Property Assessment

2009 Reappraisal Counties

18 counties Statewide



BRADLEY

KNOX

SHELBY

DAVIDSON

LAKE

STEWART

FAYETTE

LOUDON

SULLIVAN

GIBSON

MONTGOMERY

SUMNER

HAMILTON

PERRY

VAN BUREN

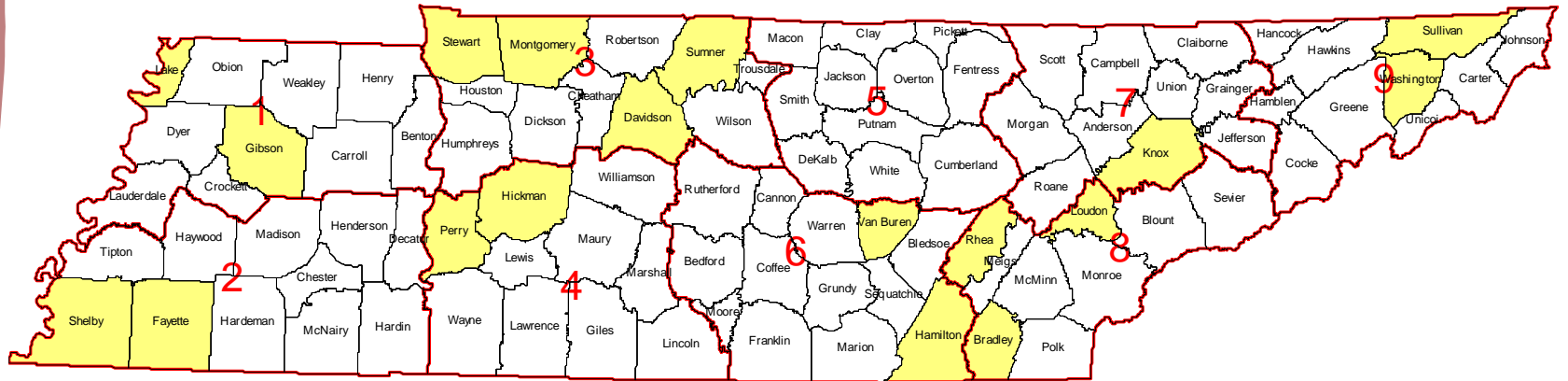
HICKMAN

RHEA

WASHINGTON

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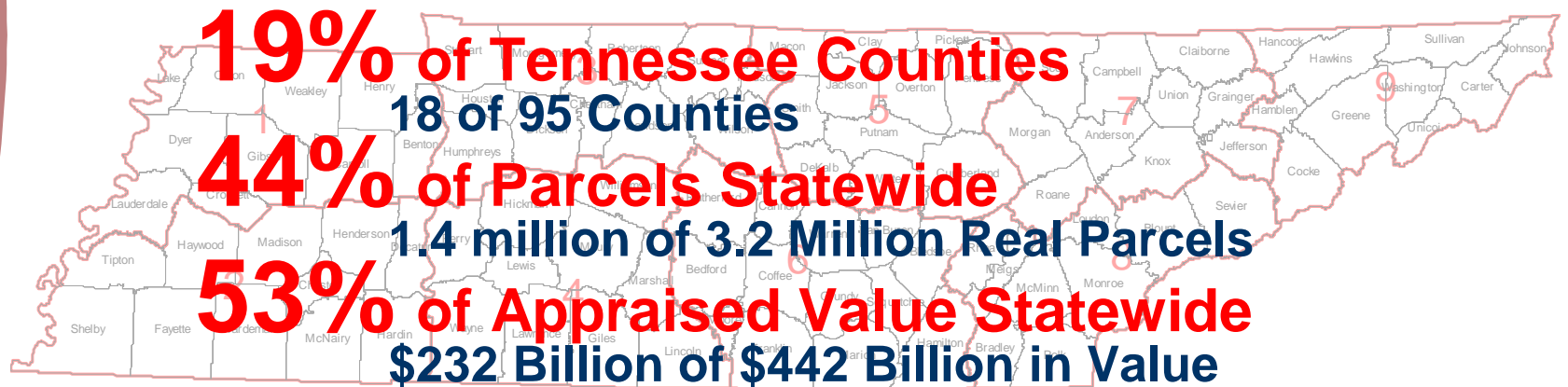
WASHINGTON

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2009 Reappraisal Counties

18 counties Statewide



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Public Relations and Media Coverage

- Proactive vs. Reactive
- 2009 Local Media Coverage



Biggest Public Relations Problems

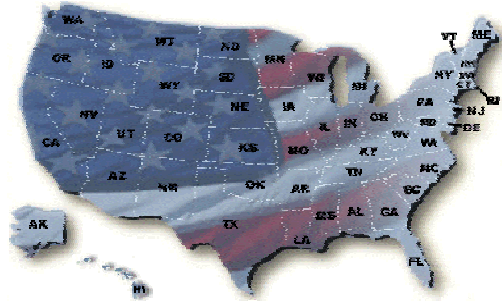
Most difficult things to convey to public

- their value changes were over a 4, 5, or 6 year period, not just since 2008
- though values were down for the most recent 12 to 18 months, that did not offset the earlier larger gains
- most of the news coverage about declining home values was **national** rather than **local** in nature

Public has been Bombarded by...



Perception vs. Reality



The vast majority of what Tennessee homeowners have seen and read reflects the national picture of real estate values.



Tennessee has not experienced the same degree of foreclosure activity or decline in real estate values as portrayed in most national media reports.



Foreclosures vs. Foreclosure Sales

- There have always been foreclosures, just not this many.
- Foreclosure is a process and not a sale.
- Transactions can be made before, during or after the foreclosure process.
- The better term is a foreclosure-related sale.

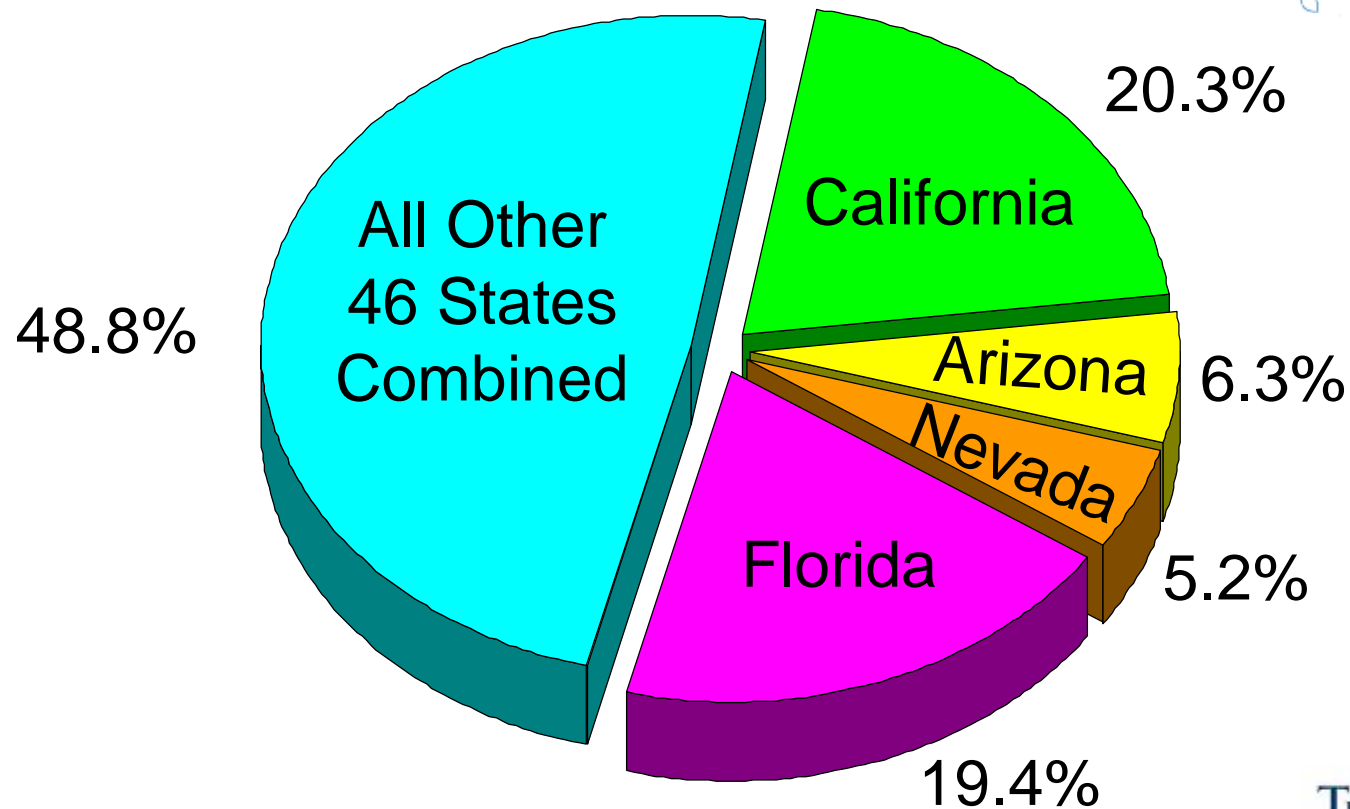


Extent of Foreclosure Crisis

- Foreclosure has been a hot topic in the media.
- Stories appear daily in newspapers and on TV
- Reality is that foreclosures are concentrated in just a few parts of the country.
- 4 states -- California, Florida, Arizona, and Nevada account for a majority of the foreclosure activity nationwide.

Foreclosures Nationwide 2008

Over 50% of the Foreclosures in the U.S. Occurred in 4 States



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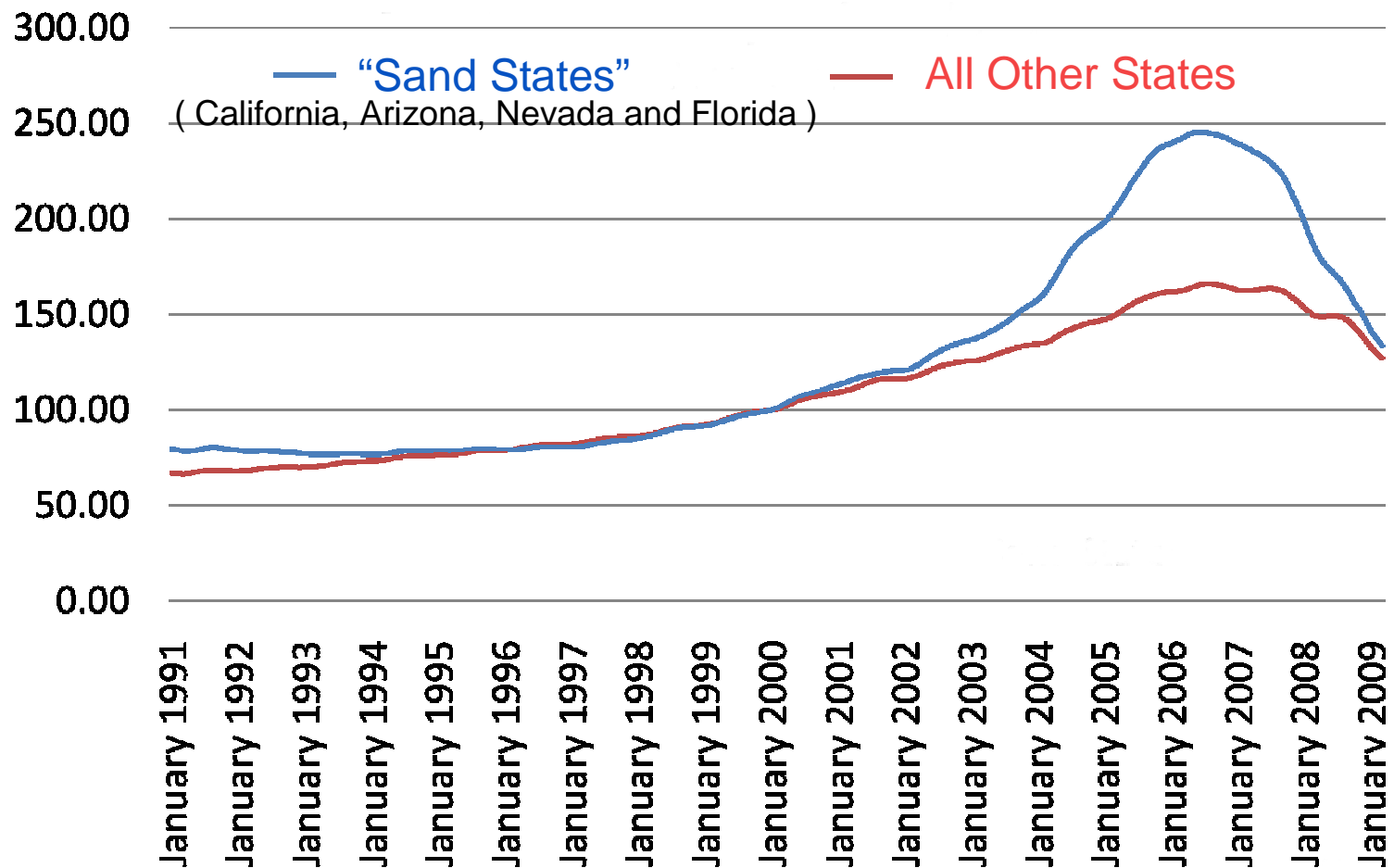




Extent of Foreclosure Crisis

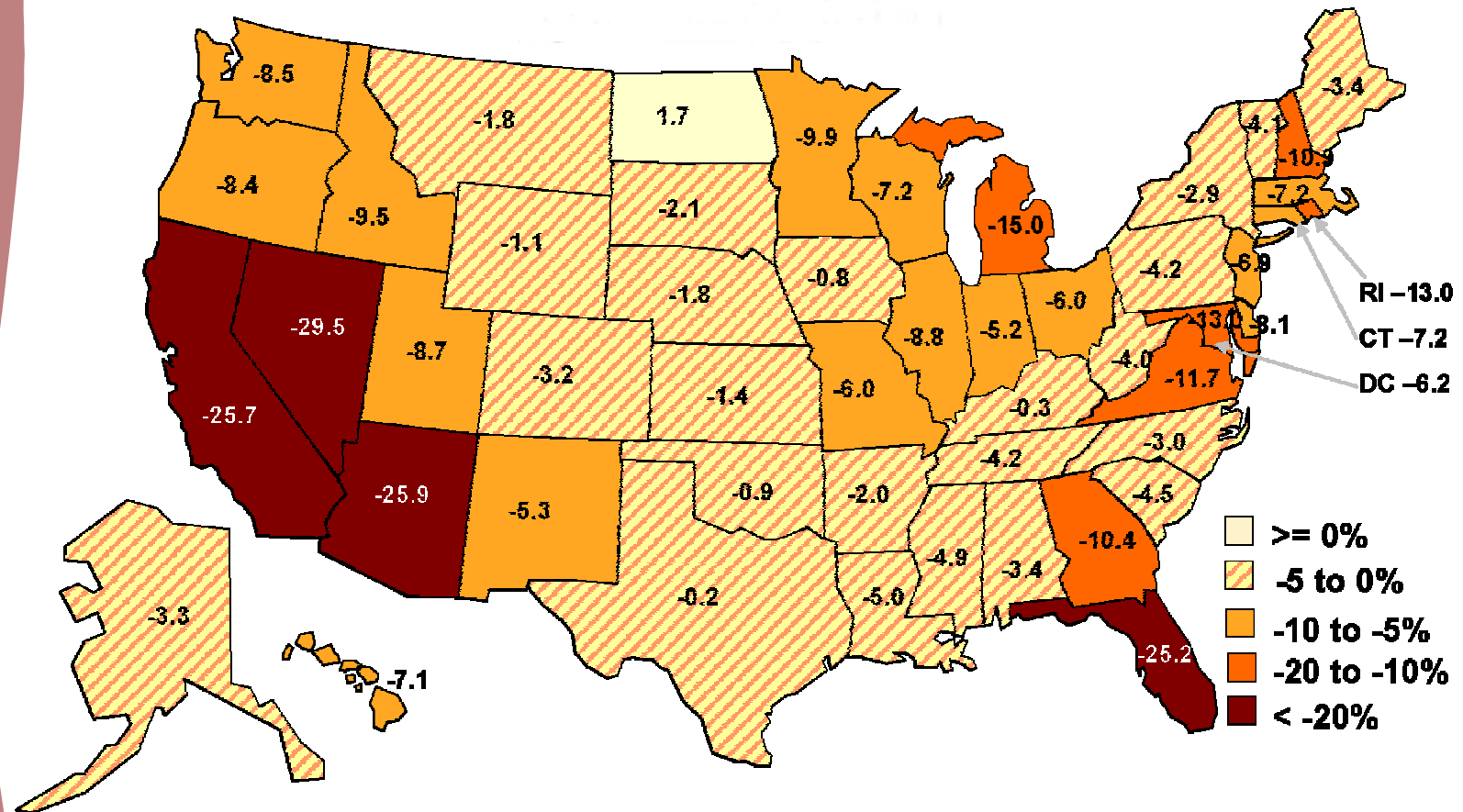
- These “**Sand States**” share some very similar characteristics including:
 1. Popularity with retirees and real estate investors
 2. Large home value increases earlier this decade
 3. Heavy volume of sub-prime mortgages
- Overall, foreclosure "problem" isn't as bad in most other parts of the country.

Average Home Prices Over Time



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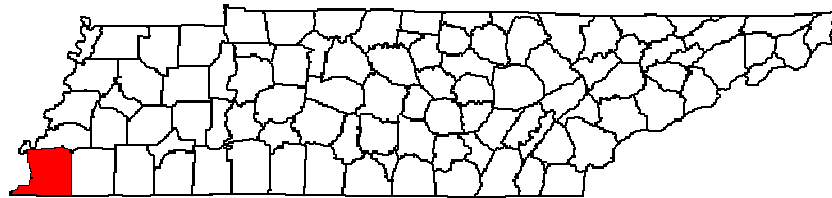
United states Average = -12.1%



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Tennessee Foreclosures

- Foreclosures have impacted Tennessee Counties and Cities.
- In 2008, Tennessee averaged 1 foreclosure filing for every 223 households.
- In Shelby County, the conditions were more severe with a foreclosure filing for every 86 households.



New Statutory Language Regarding Foreclosures and Assessment

NEW

Public Chapter 527 amends Tennessee Code Annotated 67-5-1603 by adding the following new subsection (d):

(d) In a year of reappraisal, if the number of foreclosures is of a significant number in any area or neighborhood, the assessor of property may recognize the effects of such foreclosures on the values of other properties located within the affected area or neighborhood.



Market Value in Tennessee

TCA § 67-5-601 states that property will be appraised according to...

"evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative value."



Foreclosures to Continue

- Home foreclosures most likely not finished, *nationally* or *locally*
 - earlier trend was predominately result of faulty subprime loans, mostly ARMs (adjustable rate mortgages)
 - next wave will be more traditional fixed rate mortgages, because of double digit unemployment and other economic factors

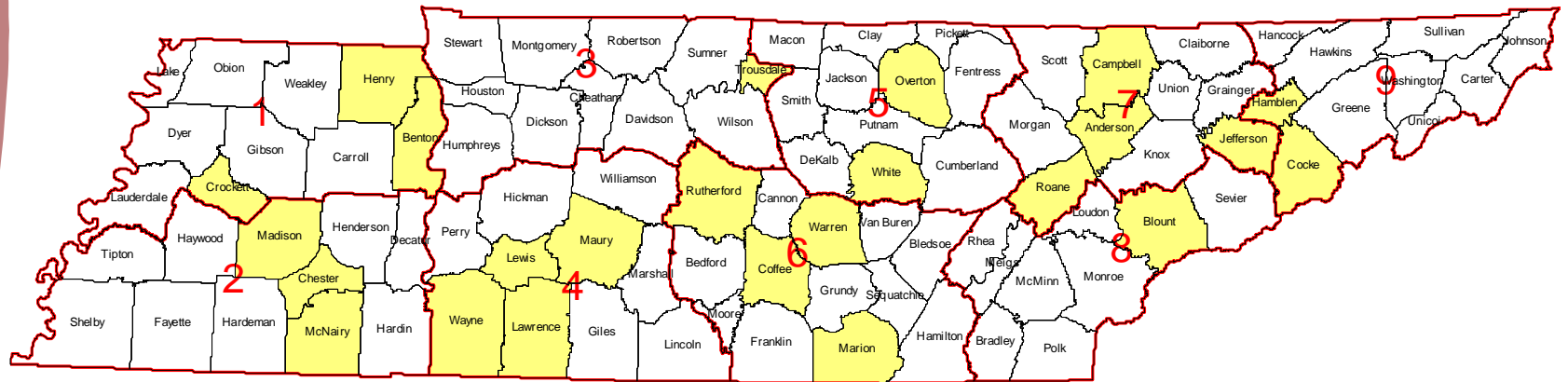


Upcoming Challenges

- Economic Downturn Continues
- Tax Billing 2009
- Possibility of Increased Delinquencies
- Increase in Tax Relief Applications
- Additional Tax Freeze Jurisdictions
- Further Budget Reductions
- 2010 Reappraisals

2010 Reappraisal Counties

24 counties Statewide



ANDERSON

COFFEE

LEWIS

ROANE

BENTON

CROCKETT

MADISON

RUTHERFORD

BLOUNT

HAMBLEN

MARION

TROUSDALE

CAMPBELL

HENRY

MAURY

WARREN

CHESTER

JEFFERSON

MCNAIRY

WAYNE

COCKE

LAWRENCE

OVERTON

WHITE

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What is in Store for the Future ?

“We will be facing challenges of unusual scope and breadth together. With each challenge, we will find great opportunities to achieve our shared goal of making government work better for the State and our ultimate client, the taxpayer.”

Justin P. Wilson
Comptroller of the Treasury



Questions



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Business Tangible Personal Property

Bobby Lee

General Counsel, Comptroller of the Treasury



Assessments of Business Tangible Personal Property

- Business taxpayers are required to file a tangible personal property reporting schedule with the assessor by March 1 of each year. TCA 67-5-903
- Must report personal property:
 - Owned
 - Used or held for use in business
 - Leased
- Report original cost by year of acquisition



Amending a Personal Property Schedule

- Taxpayer May Amend
 - Timely filed schedule (March 1)
 - On or before September 1 of the year following the assessment
 - Not permitted once delinquent suit has been filed
 - Assessor has 60 days to respond
 - Additional taxes are not considered delinquent until 60 days



Forced Personal Property Assessments Public Chapter 163

- Failure of the taxpayer to file the schedule will be considered a waiver of objections to any forced assessment.
- Assessor is required to consider evidence indicative of the assessable market value of the property.



Forced Personal Property Assessments Public Chapter 163

- Taxpayer's Remedies to a Forced Assessment:
 - Appeal to the county board of equalization
 - Seek to have the assessment mitigated down to 125% of assessment if schedule had been filed
- Must Request Mitigation
 - By March 1 two years from assessment
 - Prior to filing for delinquency



Equalization of Personal Property

- Personal property assessment are equalized using the appraisal ratios adopted by the board in each jurisdiction.
- Only taxpayers who have filed the reporting schedule required by law.
- Schedule must have been “timely filed” to get equalization



Sale or Termination of a Business

TCA 67-5-513

- Must notify assessor & trustee
 - sale or termination of business
 - Pay the tax
 - Within 15 days
- Assessment is based on last known assessment and tax rate
- New purchaser
 - Withhold sufficient amount for taxes
 - Not considered an “innocent purchaser”


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Related Topics

- [Tax Fraud](#) - (800) FRAUDTX
- [Streamlined Sales Tax](#)
- [New to Tennessee?](#)

Revenue Headlines

Sales Tax Holiday Coming This Weekend Holiday Offer Savings For All Tennesseans

August 3, 2009

The Tennessee Department of Revenue reminds shoppers that the 2009 Sales Tax Holiday is scheduled for this Friday, August 7 through Sunday, August 9. This annual weekend of savings provides three full days of tax breaks on clothing, school and art supplies, and computer purchases. Although the holiday provides savings for back-to-school purchases, anyone can take advantage of the savings this weekend. [...More](#)

Tennessee Tech Will Host Business Tax Seminar on Aug. 17

August 3, 2009

The Tennessee Department of Revenue, Tennessee Society of Certified Public Accountants and Tennessee Tech University will co-sponsor the annual 2009 Tennessee Business Tax Seminar on Monday, Aug. 17 from 8:15 a.m. to 4:45 p.m. in the Tech Pride Room of the Roaden University Center, located on the Tennessee Tech University campus in Cookeville, Tenn. [...More](#)

[...More Revenue News](#)



May 14, 2009 - Governor Phil Bredesen, Revenue Commissioner Reagan Farr and ECD Commissioner Matt Kisber, along with Volkswagen executives and local government officials, celebrated the placement of the first wall at the new Volkswagen U.S. factory in Chattanooga.



From Governor
Phil Bredesen's
Desk

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2009 Sales Tax Holiday



www.tntaxholiday.com

The 2009 Sales Tax Holiday is scheduled for **Friday, August 7 through Sunday, August 9**. [Click here](#) for details, including lists of exempt items, information for retailers and more.

Hot Topics

Popular Searches



Department of Revenue

Reagan Farr, Commissioner

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Starting a New or Expanding a Current Business

The Tennessee Department of Revenue offers a variety of resources for those interested in starting a new business in Tennessee, whether a business is currently located in Tennessee or looking to relocate here. In addition to the necessary requirements to start a business, incentives are available for relocating and expanding business in the state.

- [Instructions for Opening a Business in Tennessee](#) - Learn about necessary taxes and registration requirements here.
- [General Revenue Provisions](#) - View due dates, penalties and waivers, interest, refunds, audits and the Taxpayer Bill of Rights.
- [Business Tax Registration](#) - Register your business, add a new location to an existing business, update our account or close a business at this link.
- [Available Incentives](#) - Tennessee offers many varied incentives through tax credits and refunds to qualified businesses. Businesses new to Tennessee and existing business expansions may qualify for one or more incentives.
- [Tangible Personal Property Taxes \(Division of Property Assessments\)](#) - Learn more about taxes due on all tangible personal property used or held for use in your business. This tax is a local tax administered and collected at the local level.



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Department of Revenue

Reagan Farr, Commissioner



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Closing Your Business

If you are registered with the Department of Revenue for collection and payment of Tennessee taxes, you must notify the department if business ownership changes in any manner. This change could be:

- selling or closing the business,
- adding or changing partners,
- transferring or changing the ownership of the business, or



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• Tangible Personal Property Taxes (Division of Property Assessments)

You must notify the local assessor of property and local collecting official(s) if you sell or terminate your business. You must make payment of any taxes, interest and penalties due and owing within 15 days after the date of selling or terminating your business. The taxes for the current year are to be paid in accordance with the assessment records of the local assessor's office which shall be based on the last assessment and tax rate fixed according to law. (See Tenn. Code Ann. Section 67-5-513). [Click here](#) for more information.

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Most account closures can be handled by calling the Department of Revenue at (800) 342-1003 (Nashville-area and out-of-state: (615) 253-0600). All closures will require that the business have filed a final return and remittance of all taxes for which you are registered. Furthermore, if the taxpayer has been issued a license or permit, these must be surrendered and will be revoked by the department. If you have posted a bond of any type against your tax account, the bond must remain posted until all outstanding liabilities are settled. Under Tennessee Law and Department of Revenue Rules, there are some specific actions that must be taken for certain taxes:

• Sales and Use Tax

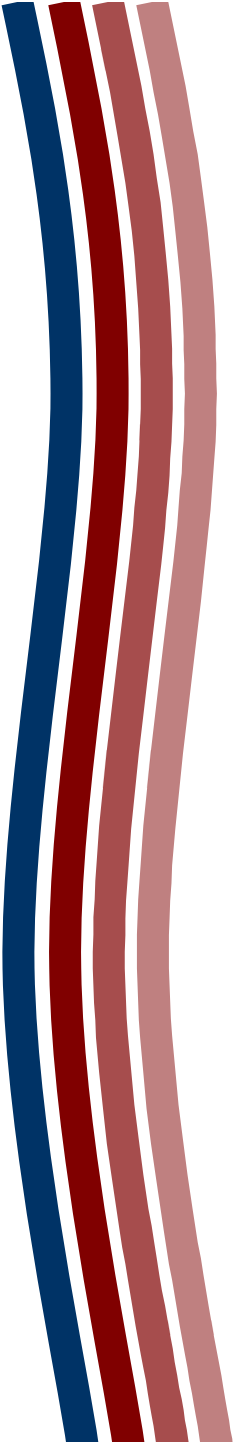
If any of the changes mentioned should occur, answer the questions on the back of the business's certificate of registration and mail it to the Department of Revenue. The new owners or officers, if applicable, must then apply for a new certificate of registration. If you sell your business or go out of business, you must make a final sales or use tax return and pay all sales or use tax due within 15 days after the date you sold or quit the business. If you sold the business, the purchaser must apply for a certificate of registration in his or her own name. (Tenn. Code Ann. Section 67-6-513) Any taxpayer allowing a new business owner to purchase property or services tax-exempt using that taxpayer's registration and certificate of resale not only is guilty of a misdemeanor, but could also be held liable for the tax due on such property or services.

- [One Stop Business Registration](#)

[More](#)

Related Topics

- [Tax Fraud - \(800\) FRAUDTX](#)
- [Streamlined Sales Tax](#)
- [New to Tennessee?](#)



Opening / Closing a Business Info on the Web

- <http://www.tennessee.gov/revenue/business/startingnewbus.htm>
- <http://www.tennessee.gov/revenue/business/closingbiz.htm>

Questions



2009 Assessor / Trustee Joint Seminar





Greenbelt and Rollback Assessments

John Allen

Staff Attorney, Comptroller of the Treasury



Greenbelt Program Basics

Tax law enacted by the state legislature in 1976 designed to:

- encourage continued production of valuable food and fiber;
- prevent loss of family farms due to higher taxes based on speculation values rather than use values;
- provide relief from urban sprawl and green spaces for enjoyment of people who would not normally have access to such areas



Greenbelt Program Basics

Three (3) types of land eligible for enrollment:

- Agricultural Land
- Forest Land
- Open Space Land



Greenbelt - Agricultural Land

- tract of at least 15 acres constituting a farm unit engaged in the production or growing of crops, plants, animals, nursery, or floral products.
- a 10 acre noncontiguous tract can qualify if the same owner has already qualified a 15 acre tract and both tracts constitute a farm unit.
- if tract became less than 15 acres because of eminent domain or other involuntary reason, it can remain in Greenbelt under current ownership
- must actually be **engaged** in agricultural activity



Greenbelt - Agricultural Land cont'd

Property can also qualify as Agricultural, if:

- owner, owner's spouse , or owner's parents farmed the property for at least 25 years

and

- owner continues to live on the property

and

- the property is not currently used for any purpose that is inconsistent with farming
- farming income / activity rule does not apply



Greenbelt - Forest Land

- tract of at least 15 acres
 - engaged in growing trees under a sound program of sustained yield management
- or*
- having tree growth in such quantity and quality as to be managed like a forest
 - requires forestry management plan



Greenbelt - Open Space Land

- tract of at least 3 acres
- maintained in an open or natural condition for public use and enjoyment
- must be included within a plan for preservation approved by state or local planning agencies

or

- owner must execute a perpetual open space easement



Greenbelt - General Limitations

- law limits the amount of land eligible for enrollment to 1500 acres per owner per county
- individuals who own property with others or as part of a corporation are credited with their proportionate share of the acreage towards the 1500 acre cap
- all property enrolled in program is subject to “rollback”, when it no longer qualifies for Greenbelt status



Greenbelt - Present Use Value

- In Greenbelt, the value of land is based on its current use as agricultural, forest, or open space land rather than current market value for similar properties.
- Use value is determined by the Comptroller's Division of Property Assessments using a statutory formula that blends farm income and market data.
- Value increases are capped and cannot exceed 6% per year over the reappraisal cycle.



Filing an Application

- An application is required to be filed on or before March 1.
- If March 1 falls on a Saturday or Sunday, then the application can be filed on that Monday.
- If the application is postmarked by the deadline date, then the application will be deemed timely filed.



Filing an Application cont'd

- Reapplication thereafter is not required so long as the ownership as of the assessment date remains unchanged.
- An application can be filed after March 1 to continue the previous classification, if filed within 30 days of notice of disqualification and accompanied by a late application fee of \$50.00.
 - For first time applicants, March 1 is an absolute deadline.
 - There is no appeal procedure for late filers.



Filing an Application cont'd

- Notice of disqualification
 - Assessment change notice would appear to be adequate; however, it would not inform someone about the 30 days and a \$50.00 late fee.
 - The notice should provide:
 - The last day to file a late application with \$50.00.
 - The amount of rollback taxes that will be due.
 - That immediate action is required.



Rollback Taxes

- Rollback taxes are the amount of taxes saved by the difference in present use value assessment and market value assessment.
T.C.A. § 67-5-1008(d)(1); see also T.C.A. § 67-5-1004(12).
 - Agricultural and Forest Land – Preceding 3 yrs.
 - Open Space Land – Preceding 5 yrs.
 - 10 yrs + 10% if the open space easement is to a qualified conservation organization (PC 514 - 2007)



Rollback Taxes

- Rollback taxes are a first lien on the disqualified property in the same manner as other taxes. T.C.A. § 67-5-1008(d)(3).
- Rollback taxes are also the personal responsibility of the current owner or seller of the land. T.C.A. § 67-5-1008(d)(3).
 - If the sale of property disqualifies such property from greenbelt, the seller shall be liable for rollback taxes, unless otherwise provided by written contract.



Rollback Taxes

- If the buyer declares in writing at the time of sale an intention to continue the greenbelt classification but fails to file any form necessary to continue the classification within ninety (90) days from the sale date, the rollback taxes shall become solely the responsibility of the buyer. T.C.A. § 67-5-1008(f).



Rollback Taxes

- If property is taken by eminent domain or other involuntary taking then the agency or body doing the taking shall be liable for rollback taxes.
 - Property transferred and converted to an exempt or non-qualifying use shall be considered to have been converted involuntarily, if the transferee or an agent for the transferee sought the transfer and had power of eminent domain.



Rollback Taxes

- If the taking results in the property being too small to qualify, no rollback if:
 - Landowner continues to own and use the property
 - At least 50% of lineal descendants collectively own and continue to use the property



When is Rollback Triggered?

- Rollback is triggered under the following circumstances:
 - Such land ceases to qualify as agricultural, forest, or open space land as defined in T.C.A. § 67-5-1004.
 - The owner of such land requests *in writing* that the greenbelt classification be withdrawn.



When is Rollback Triggered?

- The land is covered by a duly recorded subdivision plat or an unrecorded plan of development and any portion is being developed; except that, where a recorded plat or an unrecorded plan of development contains phases or section, only the phases or sections being developed are disqualified.
 - Please note: A lot in a subdivision can qualify for greenbelt if (1) it meets the minimum acreage requirements and (2) there are no restrictions, covenants, ordinances, etc. that prohibits the property from being farmed, maintained as a forest, or kept in its natural state.



When is Rollback Triggered?

- However, a lot in a subdivision cannot be combined with a contiguous parcel of greenbelt land so that the lot can qualify for use value. Also, lots in a subdivision cannot be combined in order to meet the minimum acreage requirements.
- The lot, in and of itself, must qualify on its own.



When is Rollback Triggered?

- The failure of an owner to file an application as required by law.
- The property exceeds the maximum acreage allowed by law.
 - Except rollback is not due if property passes to a lineal descendant just because the maximum acreage is exceeded. However, rollback will be due if other disqualifying circumstances occur before the property has been assessed at market value for three (3) years.



When is Rollback Triggered?

- The land is conveyed or transferred and the conveyance or transfer would render the status of the land exempt.



When is Rollback Triggered?

- No rollback due if property is acquired by
 - Bank,
 - Saving & Loan Assoc., or
 - A holder of a deed of trust or mortgage in satisfaction or partial satisfaction of a debt.
T.C.A. § 67-5-1008(e)(3).
- Rollback due only if land is used for a non-greenbelt purpose. Non-use is acceptable.



When is Rollback Triggered?

- Acquisition of property pursuant to the U.A. Moore Wetlands Acquisition Act shall not constitute a change in the use of the property and no rollback taxes shall become due solely as a result of such acquisition. *T.C.A. § 11-14-406.*



Notice of Rollback Taxes

- When an assessor believes that property no longer qualifies for greenbelt, the assessor is to send notice of rollback taxes.
T.C.A. § 67-5-1008(d)(3).
- The notice should include the following:
 - Amount of rollback taxes due
 - The basis for the rollback taxes
 - For example, property is too small to qualify or failure to file an application as required by law.



Notice cont'd

- Name of the person the assessor believes is personally responsible for the rollback taxes.
- Parcel ID# and any other information to help identify what property is subject to the rollback taxes.
- This amount will become delinquent if not paid by March 1, 20__.
- Liability for rollback taxes, but not property values, may be appealed to the State Board of Equalization by March 1, 20__.



Notice cont'd

- The current owner of the property should also receive notice even if the current owner is not personally liable.
 - Remember: Rollback taxes are a first lien on the disqualified property in the same manner as other property taxes.



Voiding Rollback

- The assessor may void the rollback assessment if it is determined that the assessment was imposed in error.
T.C.A. § 67-5-1008(d)(3).
 - HOWEVER, there shall be no refund of rollback taxes that have been collected at the request of a buyer or seller at the time of sale. *T.C.A. § 67-5-1008(d)(3).*

Questions



2009 Assessor / Trustee Joint Seminar





Economic Development Agreements and Payments In Lieu Of Tax

Barry Monson

State Valuation Coordinator, Division of Property Assessments



Economic Development Agreements and Payments In Lieu Of Tax

A quick look at...

- What they are
- What they aren't
- Roles and Responsibilities
- Filing Requirements
- Annual Reporting Requirements
- Use in Tennessee's Basic Education Program (BEP) funding formula



Economic Development in General

Tennessee like most states, promotes economic development with a variety of initiatives such as:

- employee training / workforce development
- infrastructure improvements
- employment / job credits
- investment related tax incentives
- various business tax credits

Most of these programs and incentives offered at the state level.

Recent Major Projects

Volkswagen



Hemlock
Semiconductor



Wacker Chemie





Economic Development Locally

Economic Development Agreement

- one of the few locally controlled / administered incentives to lure new business or promote expansion

Typically involves:

- assumption of nominal property ownership by a city or county industrial development board (IDB) accompanied by a lease of the property to an operating business
- taking advantage of that entity's property tax exempt status



Statutory Definition of Economic Development Agreement

“Economic development agreement” means an agreement between a private entity and local government agency that permits use of specified property of the local government or its agencies for business or commercial purposes of the private entity, in order to promote local economic development, and that has the effect of reducing property taxes on such property below amounts that would be due if the property were owned by the private entity.

TCA 4-17-302(1)



General Concept

- Property of governmental entities is not subject to taxation.
- Public entity's exempt status is transferred to a private user or lessee.
- Property is not on the tax rolls because it belongs to an exempt entity, even though it is being leased to, and used by, a private company or individual.
- Private lessees of public property may be required to make a PILOT, or *Payment In Lieu of Tax*, for some or all of the years of the lease.
- The amounts and terms of these payments are negotiated by the parties and incorporated into the economic development agreement (EDA).



Payment In Lieu Of Tax

- May be based on what property taxes would be if not under agreement (full, partial or escalating)

But...

- not property tax because property is exempt
- should not be on assessment roll
- should not be billed, collected or recorded as property tax

PAYMENT “in lieu of tax”
not
“payment in lieu of” TAX



Basis for Exemption

The corporation is hereby declared to be performing a public function in behalf of the municipality with respect to which the corporation is organized and to be a public instrumentality of such municipality. Accordingly, the corporation and all properties at any time owned by it shall be exempt from all taxation in the state of Tennessee.

TCA 7-53-305(a)



Key Considerations

- owned by government agency
- used by private entity
- for public benefit



Leasehold Assessments

- The lessee's interest (leasehold interest) is assessable but rarely has a positive value.
- If actual "rent" charged for use of the property, including PILOT payments and imputed rent (e.g., amortized cost of required improvements) equals or exceeds a fair market rent for the property, the leasehold interest has no value.
- The assessor is required to evaluate leasehold interests and can confirm whether a particular leasehold has positive value.
- If so, taxes are due on the assessed percentage (40%) of leasehold value.



Other Considerations

- EDA can include real or personal property (or both)
- Real property interest subject to reappraisal
- Appealable to boards of equalization



Same Rights to Appeal

For purposes of establishing the taxable value, classification, or exempt status of property subject to an economic development agreement, the parties may petition the local and state boards of equalization for adjudication of such issues in the manner otherwise required by law for filing appeals from local assessments.

TCA 4-17-304



Filing of Agreement Required

All economic development agreements shall be reduced to writing and submitted to the chief executive officer of each jurisdiction in which the property is located and to the comptroller of the treasury, for review, but not approval. The agreement may be submitted in advance of its execution but must be submitted within ten (10) days after its execution.

TCA 4-17-303



Penalty for Failure to Submit Agreements

If the agreement is not filed within thirty (30) days after written demand by the comptroller or other public entity with whom it is to be filed, the private entity that is party to the agreement shall owe an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

TCA 4-17-303



Cost Benefit Analysis (CBA) Requirement

Submitted agreements must be accompanied by a cost-benefit analysis in a format approved by the Commissioner of Economic and Community Development.

TCA 7-53-305(b)(1)



Cost Benefit Analysis

- Analysis of financial details of the agreement to determine the economic results of forgoing property taxes
- elements considered
 - # of direct jobs and annual salaries
 - # of indirect jobs and annual salaries
 - estimated increase in sales tax revenue (+)
 - first year's PILOT payment (+)
 - estimated foregone property tax \$ (-)

Cost Benefit Analysis Worksheet

Cost Versus Benefit Analysis for Payment In Lieu of Ad Valorem Tax																			
Date <input style="width: 80px;" type="text"/>		Person Completing Form: <input style="width: 230px;" type="text"/>																	
		Title: <input style="width: 230px;" type="text"/>																	
Lessor <input style="width: 240px;" type="text"/>		Lessee <input style="width: 250px;" type="text"/>																	
Lease Term	Term Beginning Date	<input style="width: 80px;" type="text"/>	Total Term Ending Date	<input style="width: 80px;" type="text"/>															
Step 1	<input style="width: 40px;" type="text" value="0"/>	x	\$ <input style="width: 40px;" type="text" value="-"/>	=	\$ <input style="width: 40px;" type="text" value="-"/>	x	<input style="width: 40px;" type="text" value="2.0"/>	=	\$ <input style="width: 40px;" type="text" value="-"/>										
	Number of New Jobs		Average Annual Company		Direct Income	See Note 1	Direct & Indirect Income												
Step 2	\$ <input style="width: 40px;" type="text" value="-"/>	-	\$ <input style="width: 80px;" type="text" value="34,784.00"/>	=	<input style="width: 40px;" type="text" value="0"/>														
	Indirect Income		See Note 1		Number Indirect Jobs														
Step 3	\$ <input style="width: 40px;" type="text"/>	x	<input style="width: 40px;" type="text" value="0.107"/>	=	\$ <input style="width: 40px;" type="text"/>	x	<input style="width: 40px;" type="text" value="0.647"/>	=	\$ <input style="width: 40px;" type="text"/>										
	Direct & Indirect Income		See Note 1		New Total Annual State Tax	See Note 1	New Annual State Sales Tax	See Note 1	New Annual Local Sales Tax										
Calculation Summary: Additional comments and information about costs or benefits associated with the project may be attached.																			
Total of New and Indirect Jobs		<input style="width: 80px;" type="text"/>		First Year PILOT Payment County:		<input style="width: 80px;" type="text"/>													
Total of Direct and Indirect Income		<input style="width: 80px;" type="text"/>		First Year PILOT Payment City:		<input style="width: 80px;" type="text"/>													
Total of New Annual State Sales Tax and New Annual Local Sales Tax		<input style="width: 80px;" type="text"/>		Total First Year PILOT:		<input style="width: 80px;" type="text"/>													
Market Value of Leased Real Property Improvements		<input style="width: 80px;" type="text"/>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 20%;"></td><td style="width: 40%;"></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>														<input style="width: 80px;" type="text"/>	
Market Value of Leased Machinery & Equipment		<input style="width: 80px;" type="text"/>																	
Market Value of Leased Land		<input style="width: 80px;" type="text"/>																	
Total Appraised Value:																			
Total Assessed Value:																			
<i>Note 1 Economic factors and multipliers provided by University of Tennessee for Business and Economic Research</i>																			

Cost Benefit Analysis Worksheet

Cost Versus Benefit Analysis for Payment in Lieu of Ad Valorem Tax																																	
Date				Person Completing Form:		Jack Hammontree																											
DRAFT																																	
Title:		EVP-McMinn County Economic Devel. Authority																															
Lessor		Industrial Development Board of the County of McMinn			Lessee		JAW Smith, III Company, LLC dba E & E Manufacturing																										
Lease Term	Term Beginning Date	January 1, 2007	Total Term Ending Date	December 31, 2016																													
Step 1	110		\$32,000.00	=	\$ 3,520,000.00	x	2.0	=	\$ 7,040,000.00																								
	Number of New Jobs	Ultimately 250 jobs	Annual Company Wage		Direct Income	See Note 1	Direct & Indirect Income																										
Step 2	\$ 3,520,000.00	÷	\$ 33,743.00	=	104																												
	Indirect Income		See Note 1		Number Indirect Jobs																												
Step 3	\$ 7,040,000.00	x	0.0955	=	\$ 672,320.00	x	0.646	=	\$ 434,316.72																								
	Direct & Indirect Income		See Note 1		New Total Annual State Tax	See Note 1	New Annual State Sales Tax	See Note 1	\$108,579.68																								
Calculation Summary: Additional comments and information about costs or benefits associated with the project may be attached.																																	
Total of New and Indirect Jobs		214		First Year PILOT Payment County:		\$32,236																											
Total of Direct and Indirect Income		\$7,040,000		First Year PILOT Payment City:		\$21,886																											
Total of New Annual State Sales Tax and New Annual Local Sales Tax		\$542,888		Total First Year PILOT:		\$54,122																											
Market Value of Leased Real Property Improvements		\$3,000,000		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Tax Year</th> <th>2007</th> <th>Est Property Taxes</th> <th>Eq TR = Total Rate x Appraisal Ratio</th> </tr> </thead> <tbody> <tr> <td>Co. Tax Rate</td> <td>\$1.90</td> <td rowspan="3"></td> <td rowspan="3">\$29,203</td> </tr> <tr> <td>City Tax Rate</td> <td>\$1.29</td> </tr> <tr> <td>Other Rate(s)</td> <td>\$0.00</td> </tr> <tr> <td>Total Tax Rate</td> <td>\$3.19</td> <td></td> <td></td> </tr> <tr> <td>Legal Ratio</td> <td>40%</td> <td></td> <td></td> </tr> <tr> <td>Appraisal Ratio</td> <td>0.9121</td> <td></td> <td></td> </tr> <tr> <td>Eff Tax Rate</td> <td>1.16%</td> <td></td> <td></td> </tr> </tbody> </table>		Tax Year	2007	Est Property Taxes	Eq TR = Total Rate x Appraisal Ratio	Co. Tax Rate	\$1.90		\$29,203	City Tax Rate	\$1.29	Other Rate(s)	\$0.00	Total Tax Rate	\$3.19			Legal Ratio	40%			Appraisal Ratio	0.9121			Eff Tax Rate	1.16%		
Tax Year	2007	Est Property Taxes	Eq TR = Total Rate x Appraisal Ratio																														
Co. Tax Rate	\$1.90		\$29,203																														
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Other Rate(s)	\$0.00																																
Total Tax Rate	\$3.19																																
Legal Ratio	40%																																
Appraisal Ratio	0.9121																																
Eff Tax Rate	1.16%																																
Market Value of Leased Machinery & Equipment		\$7,450,000																															
Market Value of Leased Land		\$560,000																															
Total Appraised Value:		\$2,509,200		Annual Cost of PILOT = \$ 133,498.82 (To be Calculated Internally)																													
Total Assessed Value:		\$1,003,680																															
Note 1 Economic factors and multipliers provided by University of Tennessee for Business and Economic Research, 2005																																	



Agreements Longer than 20 Years

Agreements with terms longer than 20 years must be accompanied by a written determination of the state Comptroller of the Treasury and Commissioner of Economic and Community Development (ECD), that the project agreement is “in the best interest of the state”.

TCA 7-53-305(b)(1)



Filing of Annual Lessee Reports

On or before October 1 each year, the corporation lessee or sublessee is required to file a report with the State Board of Equalization listing leased properties and details of the lease and payment in lieu of tax (PILOT) agreements

NEW

A copy of the report shall be filed with the assessor of property on or before October 15.

TCA 7-53-305(e)(1)

Penalty for Failure to File Annual Lessee Reports

NEW

Failure to timely complete and file the report shall subject the lessee to a late filing fee of fifty dollars (\$50.00) payable to the state board of equalization.

In addition, any lessee failing to file the report with the board or the assessor within thirty (30) days after written demand for the report, shall owe an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

This payment shall be collectable by the trustee for the benefit of the county, in the same manner as property taxes, on certification from the board or the assessor.

TCA 7-53-305(e)(4)

2009 Assessor / Trustee Joint Seminar





Information Required in Lessee Annual Report

A list of all the real and personal property owned by the corporation and its associated entities and subsidiaries;

The value of each listed property as estimated by the lessee;

The date and term of the lease for each listed property;

The amount of payments made in lieu of property taxes for each listed property;

The date each listed property is scheduled to return to the regular tax rolls;

Information Required in Lessee Annual Report cont.

A calculation of the taxes that would have been due for each listed property if the properties were privately owned or otherwise subject to taxation;

The property address and parcel identification number of the property assigned by the assessor of property;

The amount of rents paid to the governing body;

The amount of any property taxes paid on the leasehold assessment

Any changes in the name since the last filing;

How the payments in lieu of taxes are allocated according to the economic development agreement.

NEW



Special Provision (Shelby Co.)

An industrial development corporation may not negotiate any payment in lieu of tax agreement for less than the county ad valorem taxes otherwise due unless:

- (1) The corporation is a joint corporation organized by the county and one or more of the municipalities therein;
- (2) The corporation has entered into an interlocal agreement with the county in regard to payments in lieu of ad valorem taxes; or
- (3) The corporation has received written approval from the county mayor and the legislative body of the county regarding payments in lieu of ad valorem taxes.

TCA 7-53-305(g)

IDB/H&ED Page on SBOE Web Site

comptroller.state.tn.us/sb/idbsumm.htm

Tennessee Comptroller of the Treasury
State Board of Equalization



IDB/H&ED Report - 2008 Summary

IDB Report Frequently Asked Questions

Submit the DB/H&ED report on-line [IDB Report Form On-Line](#) or
Download the report in Adobe PDF format to submit by mail [IDB Report Form \(Print\)](#)

For further information you may e-mail us at sb.web@tn.gov

Column headings are defined as follows:

COUNTY - The number listed in this column corresponds to the county's position on an alphabetic listing of all Tennessee counties, e.g., county number 1 is Anderson County.

ID/HED - indicates whether the entity owning the property is an industrial development (ID) board or a health, housing & educational facilities (HED) board.

LESSEE - indicates the business presently leasing the property.

PROP VALUE - is the lessee's estimate of the fair market value of the property.

PILOT/CI - is total payments in lieu of taxes paid by the lessee for the reporting period to a city.

PILOT/CO - is total payments in lieu of taxes paid by the lessee for the reporting period to a county.

TAX/CI - is total taxes that would be due the city if the lessee owed taxes based on the fair market value of the property.

TAX/CO - is total taxes that would be due the county if the lessee owed taxes based on the fair market value of the property.

IDB/H&ED Report 2008

State Board of
Equalization Home

Comptroller of the
Treasury Home

State of Tennessee
Home

Search

Page 1 of Paper Lessee Report

REPORT OF PROPERTIES OWNED BY HEALTH AND EDUCATIONAL, INDUSTRIAL DEVELOPMENT AND SPORTS AUTHORITY BOARDS (Rev. 2008)

(Note: late fee due after October 1)

Tennessee law requires businesses leasing property from certain public boards and authorities to annually report to the State Board of Equalization concerning the leased properties.

GENERAL INFORMATION County: _____ Year: _____

Owner name: _____

Lessee name and address _____

This property is owned in the name of (select one):

☐

Industrial Development Board (T.C.A. §7-53-301)

☐

Health, Housing & Educational Facility Board
(T.C.A. §48-101-307)

☐

Sports Authority Board (T.C.A. §7-67-109)

Has lessee name changed since last filing? Yes No

Person filing this report:

Name: _____

Title:

Address: _____

Phone: _____

E-mail: _____

1. PROPERTY LISTING: List all the real and personal property owned by the ID/H&ED Board which is leased or subleased by this lessee as of last January 1. List each property separately if it has a separate parcel or account number in the assessor's records:

Project type code (see instructions)

Property address or location

State the city where
the property is located

Assessor's id. no.

A. _____

B. _____

C. _____

Page 2 of Paper Lessee Report

D. _____

E. _____

2. PROPERTY DETAIL: For **each** of the above properties, provide the following information:

Item	EST. VALUE	DATE1	TERM	RENT	PILOT/CITY	PILOT/CO.	DATE2	L/H TAX (IF ANY)
A								
B								
C								
D								
E								

EST. VALUE: Good faith estimate of value DATE1: Lease date TERM: Lease term (mos./yrs.)

RENT: Amount of stated rent per the lease.

PILOT/CITY: Annual payments in lieu of property taxes payable to or for the benefit of a city

PILOT/COUNTY: Annual payments in lieu of property taxes to or for the benefit of a county

DATE2: Date the property is scheduled to return to the regular tax rolls

L/H TAX: If the county assessor has recorded a positive value for the leasehold interest, state the amount of tax due (confirm with county assessor).

*This report must be completed and submitted to the State Board of Equalization annually by **October 1**. The report is late if postmarked after October 1. Late filed reports must be accompanied by a late fee of \$50. The report may be submitted electronically through our web site at www.comptroller.state.tn.us.*

A copy of this report must be filed with the county assessor of property by Oct. 15. Has a copy of this report been filed with the county assessor?
Yes ☐ No ☐

For questions, call or write the Board or visit our website at <http://www.comptroller.state.tn.us/sb/faq.htm>.

State Board of Equalization
Ste. 1760, 505 Deaderick St.
Nashville, TN 37213-0280
(615)401-7883

On-Line Lessee Report

Tennessee Comptroller of the Treasury
State Board of Equalization



IDB/H&ED Form

REPORT OF PROPERTIES OWNED BY HEALTH AND EDUCATION, INDUSTRIAL DEVELOPMENT AND SPORTS AUTHORITY BOARDS (Rev. 2008)

(Note: late fee due after October 1)

Tennessee law requires businesses leasing property from certain public boards and authorities to annually report to the State Board of Equalization concerning the leased properties.

IMPORTANT, PLEASE READ:

To fill out the form, you must use the TAB key to move from field to field.

After completing the form, hit the ENTER key or click on the *Submit form to State Board* button.

IDB Report Frequently Asked Questions

GENERAL INFORMATION

County:

Year:

Owner name:

Lessee name and

address:

This property is owned in the name of ☒ Industrial Development Board (T.C.A. §7-53-301)

(select one): ☐ Health, Housing & Educational Facility Board (T.C.A. §48-101-307)

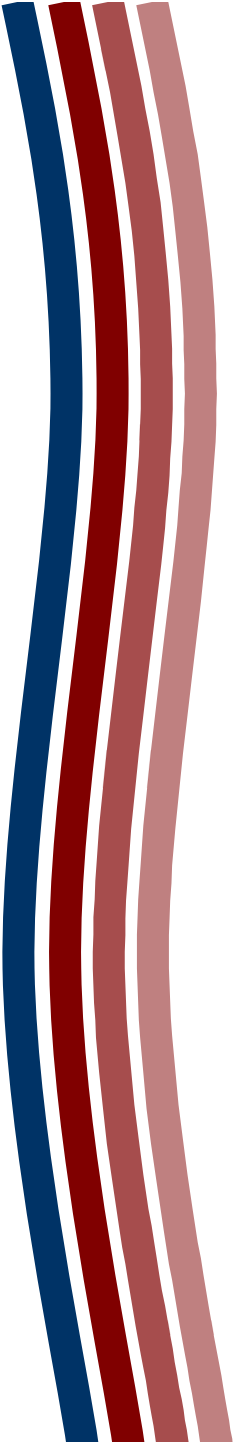
☐ Sports Authority Board (T.C.A. §7-67-108)

Has lessee name changed since last filing?: ☐ YES ☒ NO

PERSON FILING THIS REPORT:

Name:

Title:



Use of IDB Assessment Data in the Basic Education Program (BEP) Funding Formula

2009 Assessor / Trustee Joint Seminar





Basic Education Program BEP

- BEP pays the state's share of operating schools
- Complex formula
- Requires counties to provide matching funds
- Uses a measurement of *fiscal capacity* to assign each county's matching requirement



Fiscal Capacity Defined

Fiscal capacity is a measure of the potential ability of a particular government to generate revenue from their own sources relative to other similar governments.



Measuring Fiscal Capacity

When measuring relative Fiscal Capacity of counties:

- 2 revenue streams analyzed
 - Sales Tax Base
 - Property Tax Base

3 Year Average Sales Tax Base

BEP 2.0 Fiscal Capacity Inputs

County Sales Tax Bases

COUNTY	2006 SALES TAX BASE	2007 SALES TAX BASE	2008 SALES TAX BASE	3-Year Average SALES TAX BASE
ANDERSON	\$641,614,281	\$726,558,712	\$756,383,861	\$708,185,618
BEDFORD	321,306,819	326,381,734	322,146,639	323,278,397
BENTON	102,688,615	111,228,643	114,968,672	109,628,643
BLEDSON	30,625,616	30,653,796	31,040,711	30,773,375
BLOUNT	1,216,300,246	1,276,169,246	1,298,977,451	1,263,815,647
BRADLEY	873,375,524	909,784,514	907,612,632	896,924,224
CAMPBELL	258,106,735	280,367,304	280,507,710	272,993,916
CANNON	43,123,426	45,073,610	44,605,521	44,267,519
CARROLL	146,583,461	147,472,731	150,225,155	148,093,782
CARTER	321,673,076	345,096,934	344,810,449	337,193,486
CHEATHAM	179,017,051	198,407,398	205,838,443	194,420,964
CHESTER	74,035,193	75,723,811	73,337,727	74,365,577
CLAIBORNE	135,122,712	140,764,759	142,419,289	139,435,587
CLAY	34,645,130	33,706,948	33,970,160	34,107,413
COCKE	241,198,559	268,467,300	271,275,892	260,313,917
COFFEE	608,376,906	615,433,190	619,503,092	614,437,729
CROCKETT	39,878,770	41,128,325	42,672,863	41,226,653
CUMBERLAND	521,542,108	548,901,012	540,589,213	537,010,778
DAVIDSON	10,808,404,867	11,401,754,239	11,484,111,957	11,231,423,688
DECATUR	70,110,693	72,764,522	69,561,329	70,812,181

3 Year Average Property Tax Base

BEP 2.0 Fiscal Capacity Inputs

County Property Tax Bases

COUNTY	2006 PROPERTY TAX BASE	2007 PROPERTY TAX BASE	2008 PROPERTY TAX BASE	3-Year Average PROPERTY TAX BASE
ANDERSON	\$1,248,733,467	\$1,516,068,398	\$1,551,650,909	\$1,469,801,498
BEDFORD	746,495,720	765,328,708	832,925,342	816,805,479
BENTON	194,050,481	204,134,698	207,607,588	202,627,986
BLEDSON	161,689,225	181,344,674	195,819,252	179,617,717
BLOUNT	2,639,004,771	2,764,057,127	3,332,997,716	2,928,882,119
BRADLEY	1,685,029,701	1,990,893,753	2,046,946,169	1,927,747,273
CAMPBELL	591,541,709	723,664,738	752,575,067	689,591,091
CANNON	179,277,193	207,150,693	212,348,743	200,728,536
CARROLL	304,118,004	334,724,256	338,460,760	403,680,698
CARTER	687,105,464	699,987,243	842,202,983	746,690,478
CHEATHAM	627,097,301	674,956,572	700,959,144	668,909,750
CHESTER	180,448,482	196,972,567	202,921,494	194,665,061
CLAIBORNE	451,284,929	490,151,112	512,594,467	492,542,742
CLAY	100,749,021	104,696,326	113,558,876	106,453,848
COCKE	465,546,993	561,312,306	583,830,823	538,311,033
COFFEE	833,370,537	858,249,864	982,298,550	940,798,240
CROCKETT	193,914,114	200,947,361	203,884,554	200,039,716
CUMBERLAND	1,102,445,614	1,298,449,566	1,356,303,496	1,288,876,247
DAVIDSON	15,821,004,769	18,302,719,499	18,769,254,755	17,795,050,446
DECATUR	156,055,751	183,721,357	204,152,746	181,388,351

3 years of Assessment Data for use in 2009 BEP Fiscal Capacity

BEP 2.0 Property Tax Data												
COUNTY	APPRAISAL RATIOS			TOTAL LOCAL ASSESSMENTS			PUBLIC UTILITY ASSESSMENTS			IDBs		
	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
ANDERSON	1.0000	0.8471	0.8471	\$ 1,208,754,177	\$ 1,249,013,810	\$ 1,278,423,709	\$ 39,979,290	\$ 35,247,730	\$ 35,979,776	\$ 34,112,228	\$ 32,915,165	\$ 31,073,869
BEDFORD	1.0000	1.0000	0.9264	\$ 706,201,999	\$ 722,469,679	\$ 729,126,062	\$ 40,293,721	\$ 42,859,029	\$ 42,495,975	\$ 23,606,778	\$ 30,967,634	\$ 65,728,458
BENTON	1.0000	0.9664	0.9664	\$ 185,576,266	\$ 188,654,006	\$ 192,181,396	\$ 8,474,215	\$ 8,621,766	\$ 8,450,577	\$ 406,400	\$ 1,479,080	\$ 457,680
BLED SOE	1.0000	0.8881	1.0000	\$ 147,963,068	\$ 148,849,382	\$ 181,368,381	\$ 13,726,157	\$ 12,202,823	\$ 14,450,871	\$ -	\$ -	\$ -
BLOUNT	1.0000	1.0000	0.8587	\$ 2,530,428,950	\$ 2,654,978,110	\$ 2,769,188,031	\$ 108,575,821	\$ 109,079,017	\$ 92,857,108	\$ 48,843,200	\$ 8,732,275	\$ 23,294,053
BRADLEY	1.0000	0.8594	0.8594	\$ 1,624,242,727	\$ 1,658,365,783	\$ 1,704,605,016	\$ 60,786,974	\$ 52,608,308	\$ 54,540,522	\$ 89,476,793	\$ 7,618,706	\$ 18,752,308
CAMPBELL	1.0000	0.8493	0.8493	\$ 567,077,284	\$ 593,427,868	\$ 617,038,546	\$ 24,464,425	\$ 21,180,594	\$ 22,123,458	\$ -	\$ 495,880	\$ 495,880
CANNON	0.8792	1.0000	1.0000	\$ 147,507,044	\$ 195,158,924	\$ 198,403,239	\$ 10,113,464	\$ 11,991,769	\$ 13,945,504	\$ 2,060,200	\$ 1,285,882	\$ 1,340,221
CARROLL	0.9346	1.0000	1.0000	\$ 272,631,444	\$ 320,890,314	\$ 324,200,224	\$ 11,597,243	\$ 13,833,942	\$ 14,260,536	\$ 268,653,394	\$ 65,826,232	\$ 65,824,552
CARTER	1.0000	1.0000	0.8390	\$ 671,353,267	\$ 684,332,721	\$ 693,204,169	\$ 15,752,197	\$ 15,654,522	\$ 13,404,134	\$ 6,262,061	\$ 3,622,680	\$ 4,773,480
CHEATHAM	0.8556	1.0000	1.0000	\$ 515,896,398	\$ 647,635,239	\$ 673,655,077	\$ 20,648,053	\$ 27,321,333	\$ 27,304,067	\$ -	\$ 3,716,233	\$ -
CHESTER	0.9471	0.9043	0.9043	\$ 158,346,942	\$ 163,029,012	\$ 167,788,776	\$ 12,555,815	\$ 15,093,280	\$ 15,713,131	\$ -	\$ 1,826,320	\$ 1,826,320
CLAIBORNE	0.8515	1.0000	1.0000	\$ 359,990,420	\$ 461,070,240	\$ 481,700,434	\$ 24,278,697	\$ 29,080,872	\$ 30,894,033	\$ 15,629,382	\$ 10,693,144	\$ 6,965,408
CLAY	1.0000	1.0000	0.9209	\$ 93,857,479	\$ 97,429,396	\$ 97,948,685	\$ 6,891,542	\$ 7,266,930	\$ 6,627,684	\$ -	\$ -	\$ 357,320
COCKE	1.0000	0.8529	0.8529	\$ 448,678,427	\$ 462,396,584	\$ 480,527,329	\$ 16,868,566	\$ 16,346,682	\$ 17,421,980	\$ 3,403,200	\$ 1,470,480	\$ 1,479,280
COFFEE	1.0000	1.0000	0.8814	\$ 806,717,470	\$ 828,298,477	\$ 837,679,550	\$ 26,653,067	\$ 29,951,387	\$ 28,118,392	\$ 49,663,444	\$ 59,258,222	\$ 70,345,439
CROCKETT	0.9381	0.9315	0.9315	\$ 170,396,199	\$ 173,445,229	\$ 176,926,473	\$ 11,514,631	\$ 13,737,238	\$ 12,991,989	\$ -	\$ 686,560	\$ 686,560
CUMBERLAND	0.8545	1.0000	1.0000	\$ 906,140,713	\$ 1,255,008,129	\$ 1,307,385,191	\$ 35,899,064	\$ 43,441,437	\$ 48,918,305	\$ 131,959,226	\$ 28,305,465	\$ 30,980,093
DAVIDSON	1.0000	0.8780	0.8780	\$ 15,198,842,268	\$ 15,484,520,199	\$ 15,878,176,529	\$ 622,162,501	\$ 585,267,521	\$ 601,229,146	\$ 418,968,906	\$ 166,223,817	\$ 166,740,312
DECATUR	0.9465	0.8179	1.0000	\$ 141,180,179	\$ 144,554,542	\$ 197,312,051	\$ 6,526,589	\$ 5,711,156	\$ 6,840,695	\$ -	\$ 114,280	\$ 120,920
DEKALB	1.0000	0.8804	1.0000	\$ 361,325,099	\$ 366,331,621	\$ 445,592,014	\$ 17,535,513	\$ 15,968,070	\$ 18,914,585	\$ -	\$ -	\$ -
DICKSON	0.8567	1.0000	1.0000	\$ 733,572,563	\$ 918,747,649	\$ 929,828,077	\$ 17,579,614	\$ 21,659,554	\$ 22,111,762	\$ 38,077,972	\$ 7,795,438	\$ 12,033,545
DYER	0.9500	0.8857	1.0000	\$ 496,439,928	\$ 497,190,519	\$ 587,249,922	\$ 39,342,658	\$ 35,423,020	\$ 42,298,287	\$ 159,314,934	\$ 84,672,558	\$ 86,303,918
FAYETTE	0.9022	0.9022	0.8739	\$ 625,924,937	\$ 686,041,033	\$ 756,260,545	\$ 33,098,417	\$ 35,375,870	\$ 35,635,547	\$ -	\$ 1,995,760	\$ 1,995,760
FENTRESS	0.8327	1.0000	1.0000	\$ 176,571,865	\$ 261,267,604	\$ 269,064,260	\$ 12,367,919	\$ 16,119,416	\$ 16,664,995	\$ -	\$ 1,085,960	\$ 1,085,960
FRANKLIN	0.8757	1.0000	1.0000	\$ 581,929,591	\$ 789,688,911	\$ 815,040,884	\$ 24,093,317	\$ 28,719,915	\$ 31,461,355	\$ 323,894,000	\$ 47,536,171	\$ 46,779,424
GIBSON	0.9350	0.9350	0.8806	\$ 585,846,491	\$ 592,899,512	\$ 606,253,633	\$ 34,041,452	\$ 35,423,181	\$ 33,239,524	\$ 35,232,429	\$ 8,762,680	\$ 9,770,720
GILES	1.0000	0.9406	0.9094	\$ 426,761,762	\$ 428,638,801	\$ 437,924,948	\$ 21,689,237	\$ 23,502,765	\$ 24,064,654	\$ 18,897,600	\$ 15,768,605	\$ 14,675,590
GRAINGER	1.0000	0.8690	1.0000	\$ 231,184,156	\$ 246,147,327	\$ 315,584,276	\$ 15,879,777	\$ 14,315,075	\$ 17,899,644	\$ 723,500	\$ 1,493,560	\$ 1,603,800
GREENE	0.9045	0.7816	1.0000	\$ 967,854,032	\$ 980,218,377	\$ 1,299,148,138	\$ 34,899,103	\$ 31,041,123	\$ 40,101,319	\$ 58,802,380	\$ 16,437,570	\$ 7,724,104
GRUNDY	0.9859	0.9371	1.0000	\$ 126,311,990	\$ 131,391,311	\$ 184,187,979	\$ 15,855,332	\$ 15,859,604	\$ 17,288,211	\$ 1,383,960	\$ 1,592,315	\$ 1,390,739
HAMBLEN	1.0000	0.8729	0.8729	\$ 1,132,932,255	\$ 1,121,509,585	\$ 1,157,389,298	\$ 42,306,817	\$ 38,287,114	\$ 40,437,028	\$ -	\$ 19,346,396	\$ 15,249,299
HAMILTON	1.0000	0.9273	0.9273	\$ 6,487,127,302	\$ 6,704,078,250	\$ 6,901,048,508	\$ 329,134,150	\$ 299,212,058	\$ 306,586,243	\$ 171,877,534	\$ 88,981,577	\$ 91,332,004
HANCOCK	0.8059	1.0000	1.0000	\$ 63,944,299	\$ 87,939,698	\$ 87,157,397	\$ 7,399,858	\$ 9,901,720	\$ 9,773,316	\$ -	\$ -	\$ -
HARDEMAN	0.8310	1.0000	1.0000	\$ 261,127,368	\$ 313,375,317	\$ 317,792,353	\$ 18,409,225	\$ 23,785,703	\$ 24,909,277	\$ -	\$ 17,860,600	\$ 17,824,120
HARDIN	0.8150	1.0000	1.0000	\$ 403,257,037	\$ 552,513,153	\$ 572,994,711	\$ 23,738,945	\$ 30,762,911	\$ 32,228,437	\$ 5,522,600	\$ 2,606,280	\$ 2,605,920
HAWKINS	1.0000	1.0000	0.8675	\$ 740,136,593	\$ 750,833,229	\$ 760,934,300	\$ 71,230,258	\$ 74,503,854	\$ 68,657,804	\$ -	\$ 12,929,440	\$ 15,058,178
HAYWOOD	0.9225	1.0000	1.0000	\$ 290,670,865	\$ 332,148,378	\$ 333,643,563	\$ 25,823,552	\$ 30,346,617	\$ 30,899,136	\$ 219,249,788	\$ 15,065,051	\$ 10,271,691
HENDERSON	1.0000	0.9546	0.9238	\$ 333,631,075	\$ 337,765,080	\$ 338,342,752	\$ 10,021,846	\$ 10,254,250	\$ 10,355,800	\$ -	\$ 3,947,120	\$ 3,947,040
HENRY	1.0000	0.9086	0.9086	\$ 438,541,426	\$ 447,170,690	\$ 460,623,156	\$ 17,373,087	\$ 15,536,314	\$ 15,863,946	\$ 6,997,485	\$ 3,653,720	\$ 3,653,720
HICKMAN	0.9000	0.9000	0.8167	\$ 255,775,009	\$ 254,595,343	\$ 257,252,019	\$ 24,018,508	\$ 25,561,361	\$ 24,044,320	\$ 761,000	\$ 5,508,537	\$ 4,409,698
HOUSTON	0.9784	0.8868	1.0000	\$ 86,862,516	\$ 88,940,237	\$ 115,759,880	\$ 7,403,412	\$ 7,036,813	\$ 7,980,558	\$ -	\$ 402,324	\$ 378,374
HUMPHREYS	1.0000	0.8580	1.0000	\$ 307,788,004	\$ 303,192,221	\$ 360,498,442	\$ 23,828,716	\$ 20,747,670	\$ 26,098,485	\$ -	\$ 590,396	\$ 577,509
JACKSON	1.0000	0.8400	1.0000	\$ 113,120,982	\$ 115,046,100	\$ 142,482,437	\$ 19,355,238	\$ 14,529,226	\$ 19,605,617	\$ 12,644,911	\$ 842,760	\$ 898,760
JEFFERSON	1.0000	0.8667	0.8667	\$ 853,736,934	\$ 876,180,485	\$ 921,856,493	\$ 51,855,661	\$ 47,465,906	\$ 51,389,681	\$ 58,000,000	\$ 18,577,450	\$ 18,583,690
JOHNSON	1.0000	1.0000	0.7395	\$ 232,894,416	\$ 247,108,822	\$ 249,547,874	\$ 14,090,376	\$ 14,735,857	\$ 11,596,109	\$ 10,579,000	\$ 4,238,800	\$ -
KNOX	1.0000	0.9094	0.9094	\$ 7,797,220,109	\$ 8,135,725,939	\$ 8,485,190,966	\$ 255,770,424	\$ 246,497,046	\$ 253,346,840	\$ 221,840,425	\$ 62,539,342	\$ 63,281,342

County Fiscal Capacity in 2009 BEP Funding Formula

FISCAL CAPACITY					
	Fiscal Capacity	Percent of State's Total		Fiscal Capacity	Percent of State's Total
ANDERSON	\$29,138,320	1.075%	LAUDERDALE	\$5,739,316	0.212%
BEDFORD	15,102,393	0.557%	LAWRENCE	11,150,030	0.411%
BENTON	4,203,198	0.155%	LEWIS	2,924,983	0.108%
BLEDSE	2,695,470	0.099%	LINCOLN	9,855,957	0.364%
BLOUNT	55,777,061	2.058%	LOUDON	23,659,238	0.873%
BRADLEY	37,721,786	1.392%	MCMINN	20,744,927	0.765%
CAMPBELL	12,751,260	0.471%	MCNAIRY	6,535,918	0.241%
CANNON	3,165,539	0.117%	MACON	5,930,924	0.219%
CARROLL	7,282,704	0.269%	MADISON	47,593,457	1.756%
CARTER	14,452,517	0.533%	MARION	10,586,365	0.391%
CHEATHAM	11,276,670	0.416%	MARSHALL	10,054,561	0.371%
CHESTER	3,557,695	0.131%	MAURY	34,026,750	1.256%
CLAIBORNE	8,245,645	0.304%	MEIGS	3,003,514	0.111%
CLAY	1,843,759	0.068%	MONROE	16,162,262	0.596%
COCKE	10,686,464	0.394%	MONTGOMERY	56,432,568	2.082%
COFFEE	21,151,386	0.780%	MOORE	2,476,607	0.091%
CROCKETT	3,109,848	0.115%	MORGAN	3,847,554	0.142%
CUMBERLAND	24,248,104	0.895%	OBION	10,645,162	0.393%
DAVIDSON	394,014,696	14.539%	OVERTON	4,998,990	0.184%
DECATUR	3,338,613	0.123%	PERRY	2,160,255	0.080%
DEKALB	6.812.528	0.251%	PICKETT	1.710.692	0.063%

Basic Education Program (BEP) Funding Formula

Use of Fiscal Capacity Index to Determine County BEP Match

$$\begin{array}{ccccccccc} \text{Statewide} & & \text{Statutory} & & \text{County} & & & & \text{County} \\ \text{BEP} & & \text{Match} & & \text{Fiscal} & & = & & \text{Matching} \\ \text{Cost} & \times & \text{Rate} & \times & \text{Capacity} & & & & \text{Requirement} \\ & & & & \text{Index} & & & & \end{array}$$



IDB Property Appraisals

Timely and accurate listings of IDB properties under EDA necessary:

- as measurement of agreement
- often, as the means to establish the PILOT payment due from lessee
- as preparation for return to roll
- as a true reflection of county assessments and fiscal capacity

Information on the Web

State Board of Equalization Website

<http://www.tn.gov/comptroller/sb/idbsumm.htm>

Tennessee Comptroller of the Treasury
State Board of Equalization



IDB/H&ED Report - 2008 Summary

IDB Report Frequently Asked Questions

Submit the DB/H&ED report on-line [IDB Report Form On-Line](#) or
Download the report in Adobe PDF format to submit by mail [IDB Report Form \(Print\)](#)

For further information you may e-mail us at sb.web@tn.gov

Column headings are defined as follows:

COUNTY - The number listed in this column corresponds to the county's position on an alphabetic listing of all Tennessee counties, e.g., county number 1 is Anderson County.

ID/HED - indicates whether the entity owning the property is an industrial development (ID) board or a health, housing & educational facilities (HED) board.

LESSEE - indicates the business presently leasing the property.

PROP VALUE - is the lessee's estimate of the fair market value of the property.

PILOT/CI - is total payments in lieu of taxes paid by the lessee for the reporting period to a city.

PILOT/CO - is total payments in lieu of taxes paid by the lessee for the reporting period to a county.

TAX/CI - is total taxes that would be due the city if the lessee owed taxes based on the fair market value of the property.

TAX/CO - is total taxes that would be due the county if the lessee owed taxes based on the fair market value of the property.



For More Information

Contact

State Board of Equalization

Kelsie Jones (615) 747-5379

Connie Sands (615) 747-5387

Division of Property Assessments

Barry Monson (615) 401-7912

Questions



2009 Assessor / Trustee Joint Seminar





IMPACT, Tax Relief and Tax Freeze Program

Susan Gullette

Assistant Director, Division of Property Assessments

Ken Morrell

Special Projects Manager, Division of Property Assessments



IMPACT

2009 Assessor / Trustee Joint Seminar





- Integrated Multi-Processing of Administrative and CAMA Technology.
- IMPACT will integrate today's property based systems into a single comprehensive system for property and tax administration .



Replaces Today's Current Systems

- CAAS III and CAAS IV
- Tax Billing / NAL
- OSAP Assessment & Appraisal
- SBOE Appeals & Exemptions
- Tax Relief System



Includes Additional Functionality

- Web-based application
- Capability to view OSAP parcel information
- Capability to track appeal and exempt properties
- Robust reporting capabilities



Includes Additional Functionality (continued)

- Integrated GIS component
- Batch update of CAMA data from GIS selection
- Mobile data collection capabilities
- Tax Freeze System



Current Status:

- Completing Modifications
- Test, Test, Test
- Creating Documents and Reports
- Training the Test Pilot Counties:

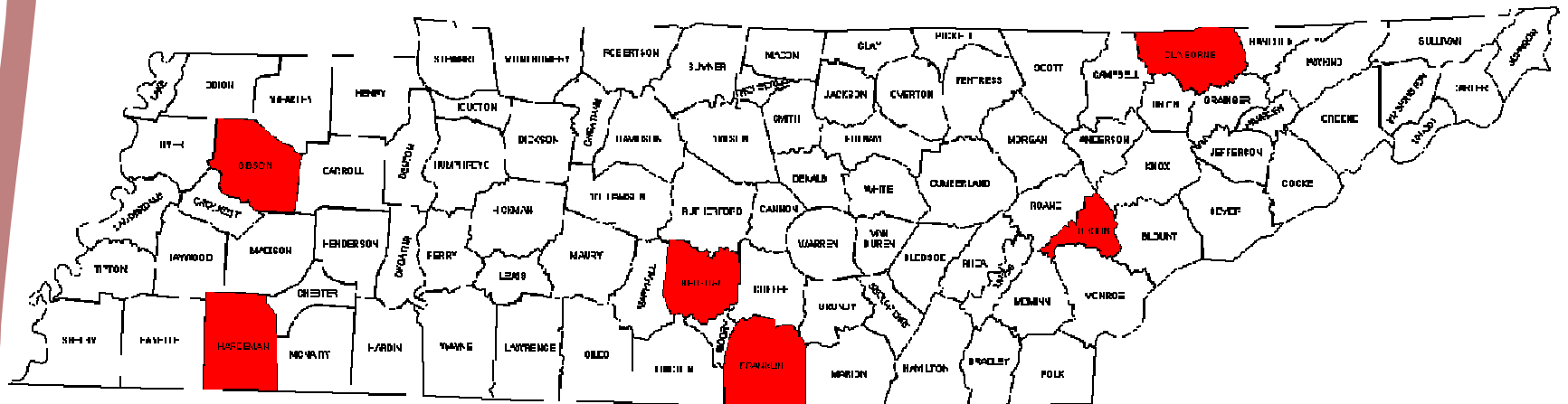
IMPACT

Building the Future Together

Integrated Multi Processing of Administrative & CAMA Technology



Test Pilot Counties



Aug 17 – Sep 25

Claiborne and Franklin

Sep 24 – Nov 6

Bedford and Hardeman

Oct 12 – Nov 20

Gibson and Loudon

2009 Assessor / Trustee Joint Seminar



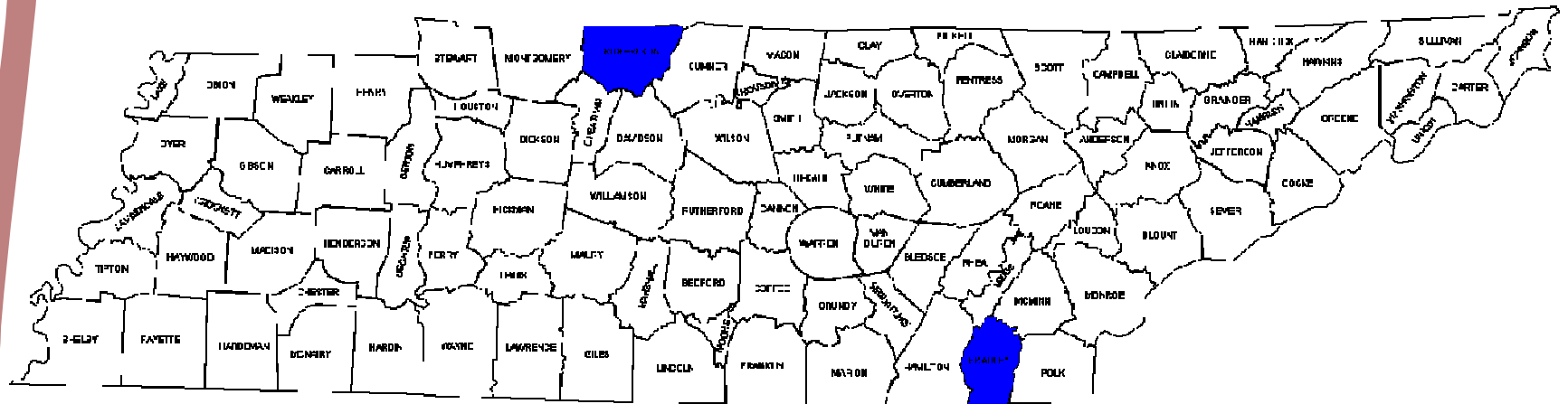
IMPACT

Building the Future Together

Integrated Multi Processing of Administrative & CAMA Technology



First Counties to 'Go Live' in 2010



Robertson and Bradley

The implementation schedule has not been completed.

2009 Assessor / Trustee Joint Seminar





For more information....

<http://www.tn.gov/comptroller/pa/impact.htm>

or

Contact: Susan Gullette

Susan.Gullette@tn.gov



Tax Relief

2009 Assessor / Trustee Joint Seminar

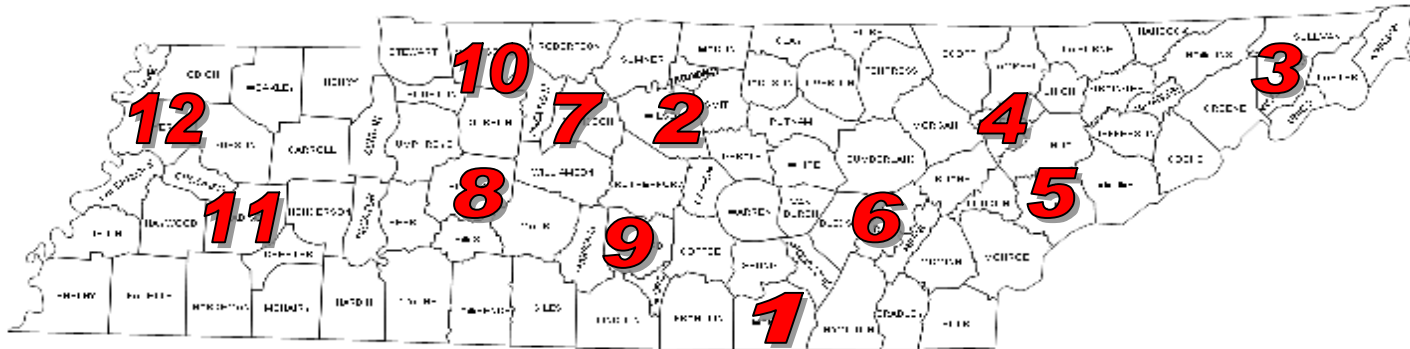




Property Tax Relief Program

The Division of Property Assessments (DPA) administers the Tax Relief program which provides reimbursements to low-income elderly or disabled homeowners and qualifying disabled veterans or their surviving spouse homeowners for property tax.

2009 Tax Relief Workshops



1 – July 21

Jasper Public Library
14 West Second Street
Jasper, TN
9:00 a.m. – 12:00 noon

2 – July 22

Wilson County Bank & Trust
623 West Main Street
Lebanon, TN
9:00 a.m. – 12:00 noon

3 – July 28

Jonesborough Visitor
Center
117 Boone Street
Jonesborough, TN
9:00 a.m. – 12:00 noon

4 – July 29

Clinton Public Library
118 South Hicks Street
Clinton, TN
9:00 a.m. – 12:00 noon

5 – July 30

Municipal Center
400 West Broadway
Maryville, TN
9:00 a.m. – 12:00 noon

6 – July 31

Rhea County
Trustee Government Offices
375 Church Street
Dayton, TN
9:00 a.m. – 12:00 noon

7 – August 4

Nashville Main Library
Conference Room 1 A/B
615 Church Street
Nashville, TN
9:30 a.m.–12:30 p.m.

8 – August 5

J.B. Walker Memorial
Library
120 West Swan Street
Centerville, TN
9:00 a.m.–12:00 noon

9 – August 6

Shelbyville Recreation Center
220 Tulip Tree Drive
Shelbyville, TN
9:00 a.m. – 12:00 noon

10 – August 7

Montgomery County Civic Hall
350 Pageant Lane
Clarksville, TN
9:00 a.m. – 12:00 noon

11 – August 12

Madison County Main Library
433 E. Lafayette Street
Jackson, TN
9:00 a.m. – 12:00 noon

12 – August 13

Chamber of Commerce
Lannom Center
2000 Commerce Avenue
Dyersburg, TN
9:00 a.m. – 12:00 noon

2009 Assessor / Trustee Joint Seminar





2009 Tax Relief Information

Income limit:

- Elderly and Disabled Homeowners is \$25,360
- Disabled Veterans or Widow(er) of Disabled Veteran Not Applicable

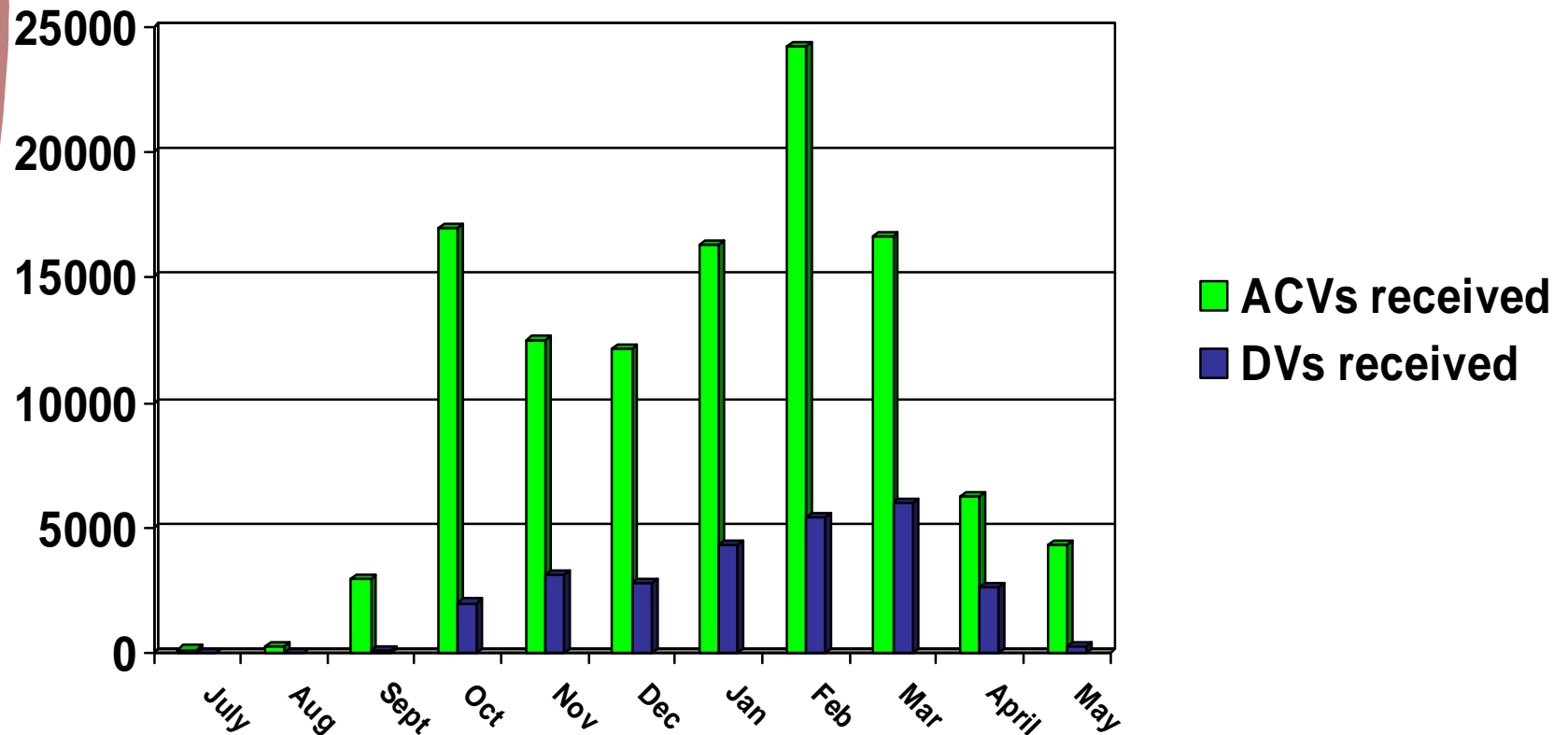
Application Deadline:

- **April 5, 2010** or 35 days after taxes become delinquent

Payment Deadline:

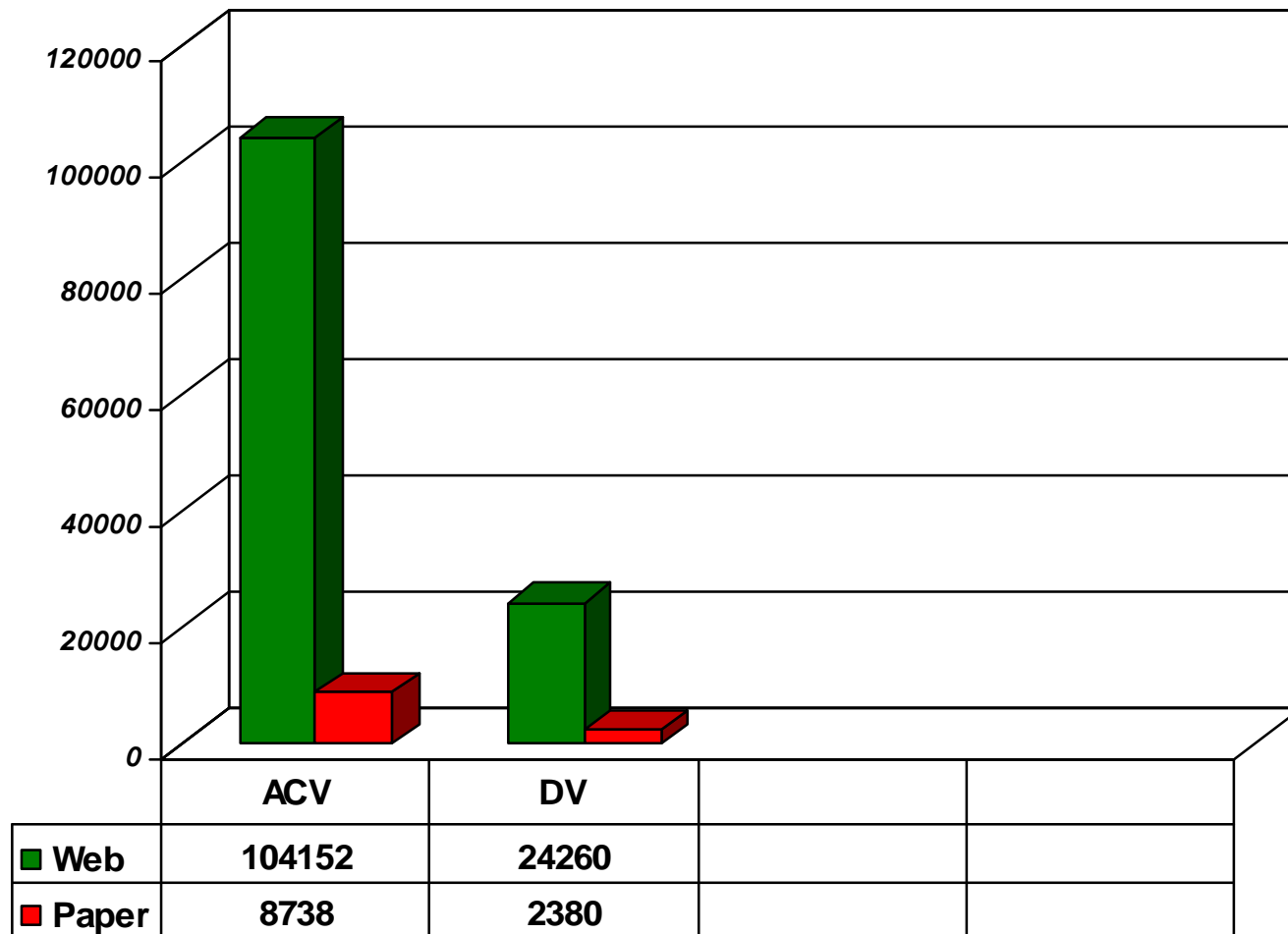
- **April 5, 2010** or 35 days after taxes become delinquent

Tax Year 2008 Tax Relief Applications Received by Month



2009 Assessor / Trustee Joint Seminar

Application Submission Source



2009 Assessor / Trustee Joint Seminar



Changes for TY 2010

- All applications must be submitted via the Tax Relief web application
- Status Reports will be accessed via the Tax Relief web application
- Pay Register Reports will be sent electronically



Basic Web Info

- You can sign up at any time during the year.
- There is NO COST to the jurisdiction.
- Web Access Forms (F20) is available in your Tax Relief Manual
- E-mail Kim Darden
Kim.Darden@tn.gov



State of Tennessee Tax Relief / Tax Freeze System

Tax Relief / Tax Freeze Login Screen

Please enter your User ID and Password

User ID:

Password:

Please close your browser to log out

NOTE: Remember to check your Quick Reference for Login information. Thank you.

2005 status information is no longer available through the Tax Relief Web System.

Existing logins have been transferred to the new system.

Until ACVs have been generated for your jurisdiction, you will only have access to the DV functions.

YOU MAY START A DV AT ANY TIME.

If your Email address has changed, please contact [Kim Darden](#) (615) 747-8858, or [Johnnie Howell](#) (615) 747-8860 with the new information.

**In order to view these pages properly, you must be using Internet Explorer, Version 5, or higher.
You may get the latest version by clicking below.**



New Legislation



NEW

T.C.A. 67-5-702(a)(2), 67-5-703(a)(2), and 67-5-705(f)(2) were amended. The new law affects the calculation of income and reads as follows:

“The income attributable to the applicant for tax relief shall be the income of all owners of the property, the income of the applicant’s spouse, and the income of any owner of a remainder or reversion in the property if the property constituted such person’s legal residence at any time during the year for which tax relief is being claimed.”

What does that mean?

- Beginning in tax year 2009, we will be required to include the **income of the applicant's spouse** to determine eligibility whether or not the spouse has an ownership interest in, or resides on, the property.
- If the applicant is sole owner on the deed but is married, the combined income of the applicant and the applicant's spouse cannot exceed the statutory income limit.

Tax Relief/ Tax Freeze Bulletin



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF PROPERTY ASSESSMENTS**

James K. Polk State Office Building
505 Deaderick Street, Suite 1400
Nashville, Tennessee 37243-1402
Phone (615) 401-7737
Fax (615) 741-3888

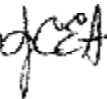
Justin P. Wilson
Comptroller

Tom Fleming, CAE
Assistant to the Comptroller
for Assessments
(615) 401-7777

David Sherrill, CAE
Director
(615) 401-7778

BULLETIN NUMBER 2009-02

TO: All County Trustees, City Collecting Officials, and Tax Relief and Tax Freeze Staff

FROM: John C. E. Allen 
Staff Attorney

DATE: August 3, 2009

RE: **COUNTING THE APPLICANT SPOUSE'S INCOME**

During the 2009 Legislative Session, the General Assembly amended Tenn. Code Ann. §§ 67-5-702(a)(2), 703(a)(2), and 705(f)(2) as it concerns income that is attributable to an applicant for the tax relief and tax freeze programs. Beginning with tax year 2009, these amendments now provide that the income of an applicant's spouse is counted regardless of whether the spouse has an ownership interest in the property. Also, it does not matter whether the spouse actually resides on the property or whether it is the spouse's legal residence. So long as the applicant is married, the applicant's spouse is treated, for income purposes only, just like a co-owner of the property.

Public Chapter 68, Acts of 2009, which amends the above mentioned statutes, is attached for your convenience.



Questions



2009 Assessor / Trustee Joint Seminar





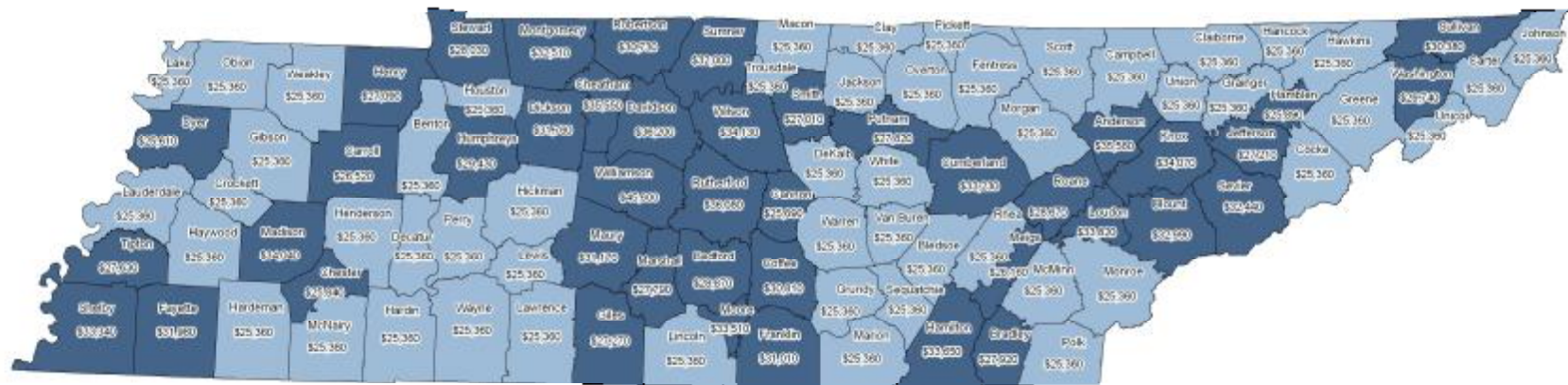
Property Tax Freeze

2009 Assessor / Trustee Joint Seminar



2009 Income Limits

Property Tax Freeze



Income limits for the Property Tax Freeze are the weighted average of median household income by county for age groups 65 to 74 and 75 or over from the 2000 Census, adjusted by Social Security cost-of-living adjustments and rounded to the nearest ten dollars. The median incomes for the two age groups are weighted based on population. This number is a weighted average of two medians and does not represent an actual median income for both groups combined.

The minimum income limit is equal to the \$25,360 Property Tax Relief program income limit.



Income Limits

 \$25,360 Minimum Income Limit

■ \$25,361 - \$45,600

Property Tax Freeze Income Limits by County Tax Year 2009

Co.#	County	Income Limit	Co.#	County	Income Limit
001	ANDERSON	\$35,560	049	LAUDERDALE	\$25,360
002	BEDFORD	\$28,870	050	LAWRENCE	\$25,360
003	BENTON	\$25,360	051	LEWIS	\$25,360
004	BLED SOE	\$25,360	052	LINCOLN	\$25,360
005	BLOUNT	\$32,990	053	LOUDON	\$33,820
006	BRADLEY	\$27,920	054	MC MINN	\$25,360
007	CAMPBELL	\$25,360	055	MC NAIRY	\$25,360
008	CANNON	\$25,890	056	MACON	\$25,360
009	CARROLL	\$26,520	057	MADISON	\$34,040
010	CARTER	\$25,360	058	MARION	\$25,360
011	CHEATHAM	\$35,550	059	MARSHALL	\$27,790
012	CHESTER	\$25,840	060	MAURY	\$31,170
013	CLAIBORNE	\$25,360	061	MEIGS	\$26,160
014	CLAY	\$25,360	062	MONROE	\$25,360
015	COCKE	\$25,360	063	MONTGOMERY	\$32,510
016	COFFEE	\$30,810	064	MOORE	\$33,510
017	CROCKETT	\$25,360	065	MORGAN	\$25,360
018	CUMBERLAND	\$33,230	066	OBION	\$25,360
019	DAVIDSON	\$36,200	067	OVERTON	\$25,360
020	DECATUR	\$25,360	068	PERRY	\$25,360
021	DEKALB	\$25,360	069	PICKETT	\$25,360
022	DICKSON	\$31,760	070	POLK	\$25,360
023	DYER	\$25,510	071	PUTNAM	\$27,820
024	FAYETTE	\$31,980	072	RHEA	\$25,360
025	FENTRESS	\$25,360	073	ROANE	\$28,870
026	FRANKLIN	\$31,010	074	ROBERTSON	\$30,730
027	GIBSON	\$25,360	075	RUTHERFORD	\$36,080
028	GILES	\$27,270	076	SCOTT	\$25,360
029	GRAINGER	\$25,360	077	SEQUATCHIE	\$25,360
030	GREENE	\$25,360	078	SEVIER	\$32,440
031	GRUNDY	\$25,360	079	SHELBY	\$33,340
032	HAMLEN	\$25,890	080	SMITH	\$27,010
033	HAMILTON	\$33,650	081	STEWART	\$28,030
034	HANCOCK	\$25,360	082	SULLIVAN	\$30,380
035	HARDEMAN	\$25,360	083	SUMNER	\$32,000
036	HARDIN	\$25,360	084	TIPTON	\$27,830
037	HAWKINS	\$25,360	085	TROUSDALE	\$25,360
038	HAYWOOD	\$25,360	086	UNICOI	\$25,360
039	HENDERSON	\$25,360	087	UNION	\$25,360
040	HENRY	\$27,090	088	VAN BUREN	\$25,360
041	HICKMAN	\$25,360	089	WARREN	\$25,360
042	HOUSTON	\$25,360	090	WASHINGTON	\$29,740
043	HUMPHREYS	\$29,430	091	WAYNE	\$25,360
044	JACKSON	\$25,360	092	WEAKLEY	\$25,360
045	JEFFERSON	\$27,210	093	WHITE	\$25,360
046	JOHNSON	\$25,360	094	WILLIAMSON	\$45,600
047	KNOX	\$34,070	095	WILSON	\$34,130
048	LAKE	\$25,360			

Note: 52 counties are at the minimum income limit of \$25,360.

Note
Income limits
are adjusted
annually by
the Social
Security cost-
of-living
adjustment
(COLA)



Tax Freeze Counties

2007

Anderson
Blount
Bradley
Davidson
Hamblen
Knox
Roane
Wilson

2008

Campbell
Coffee
Franklin
Hickman
Montgomery
Robertson
Rutherford
Sevier
Shelby
Smith
Sumner
Williamson



Tax Freeze Cities

2007

Manchester

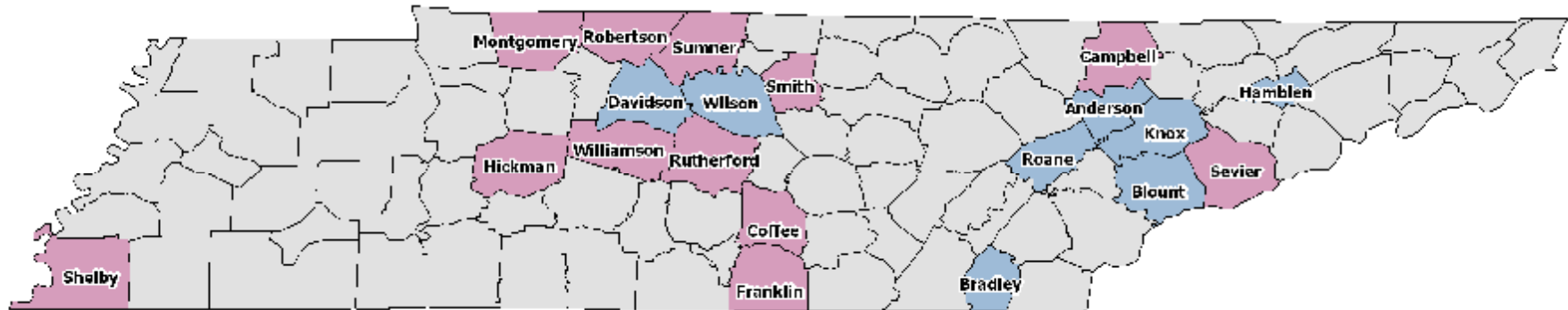
2008

Bartlett
Clarksville
Collierville
Dyersburg
Fairview
Gallatin
Goodlettsville
Gordonsville
Greenbrier
Hendersonville
Memphis
Piperton
Portland
South Carthage
Springfield
Westmoreland

2009

Jackson
Smyrna
Spring Hill
Tullahoma





State of Tennessee Tax Freeze Counties Map



Legend

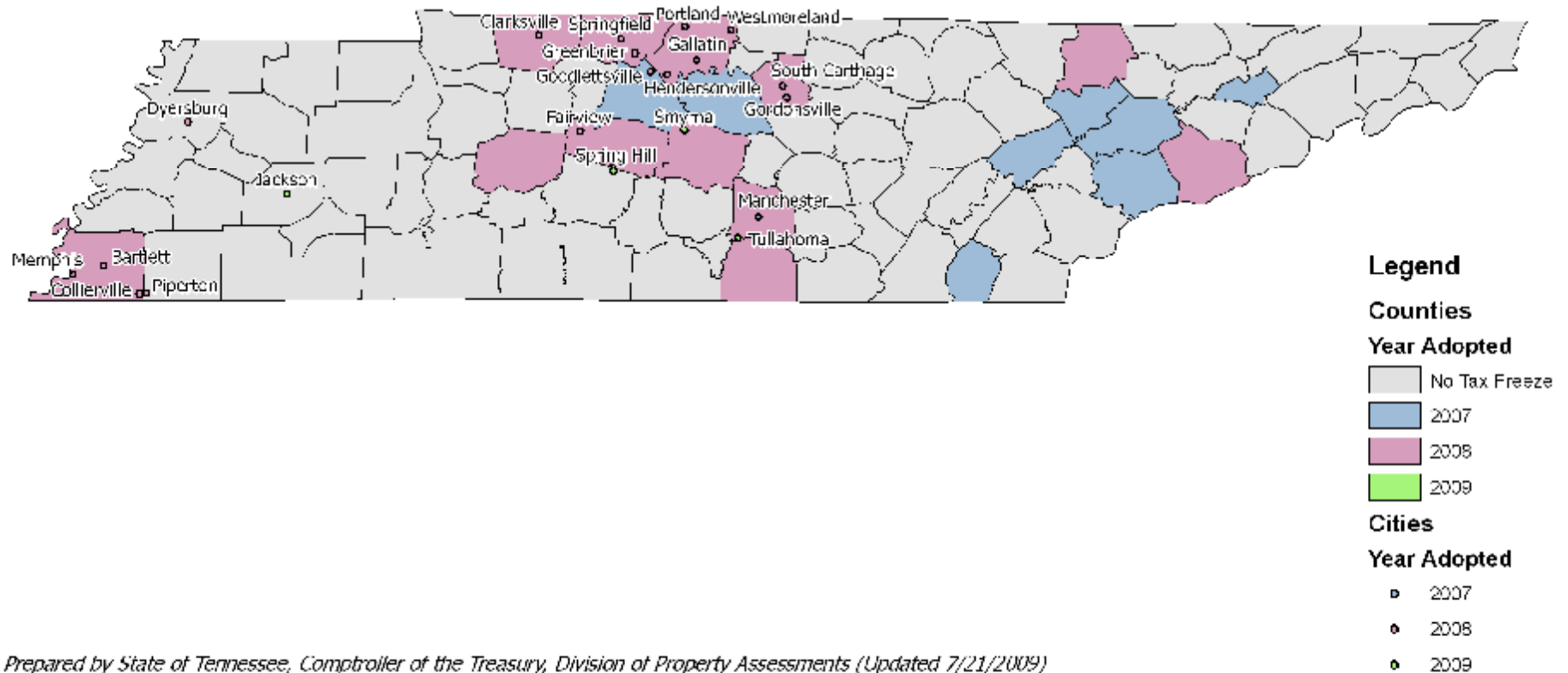
Counties

Year Adopted

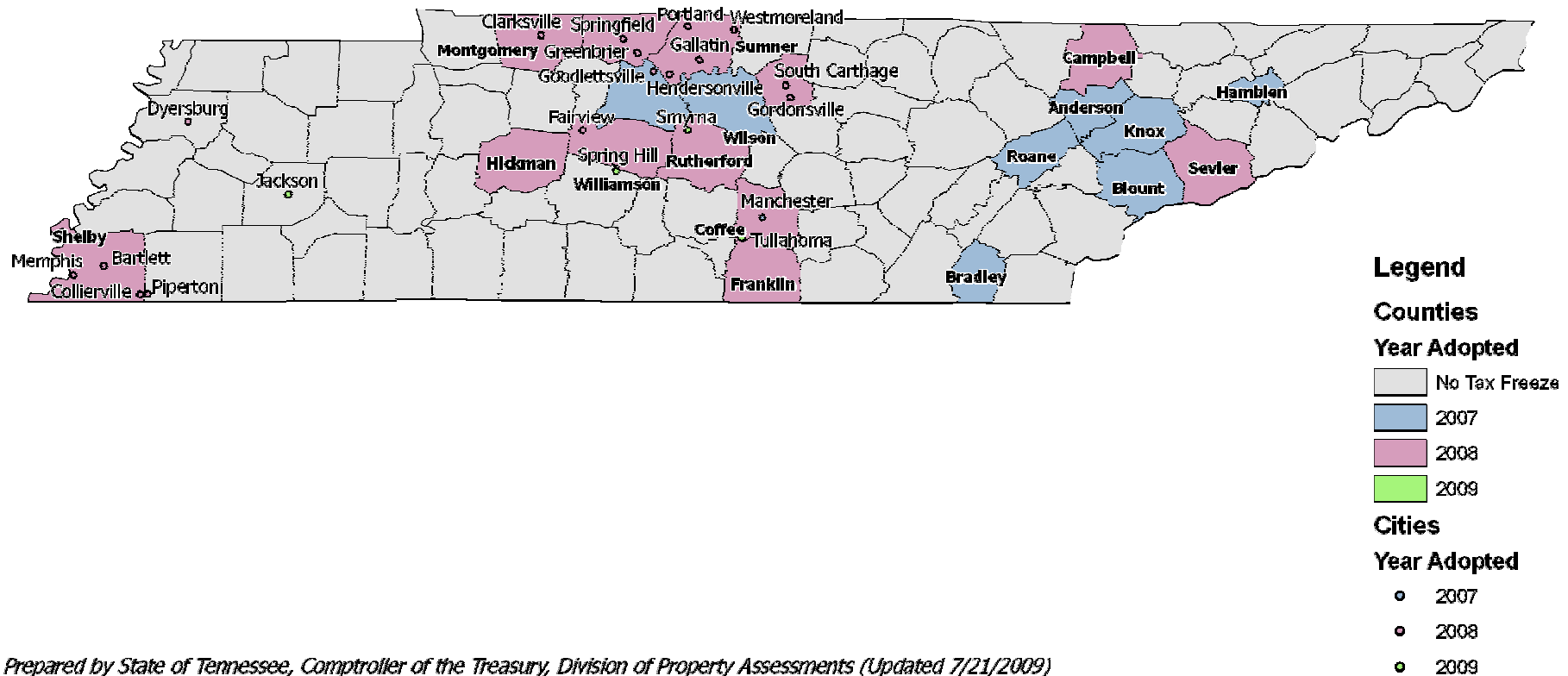
	No Tax Freeze
	2007
	2008
	2009

Prepared by State of Tennessee, Comptroller of the Treasury, Division of Property Assessments (Updated 1/21/2009)

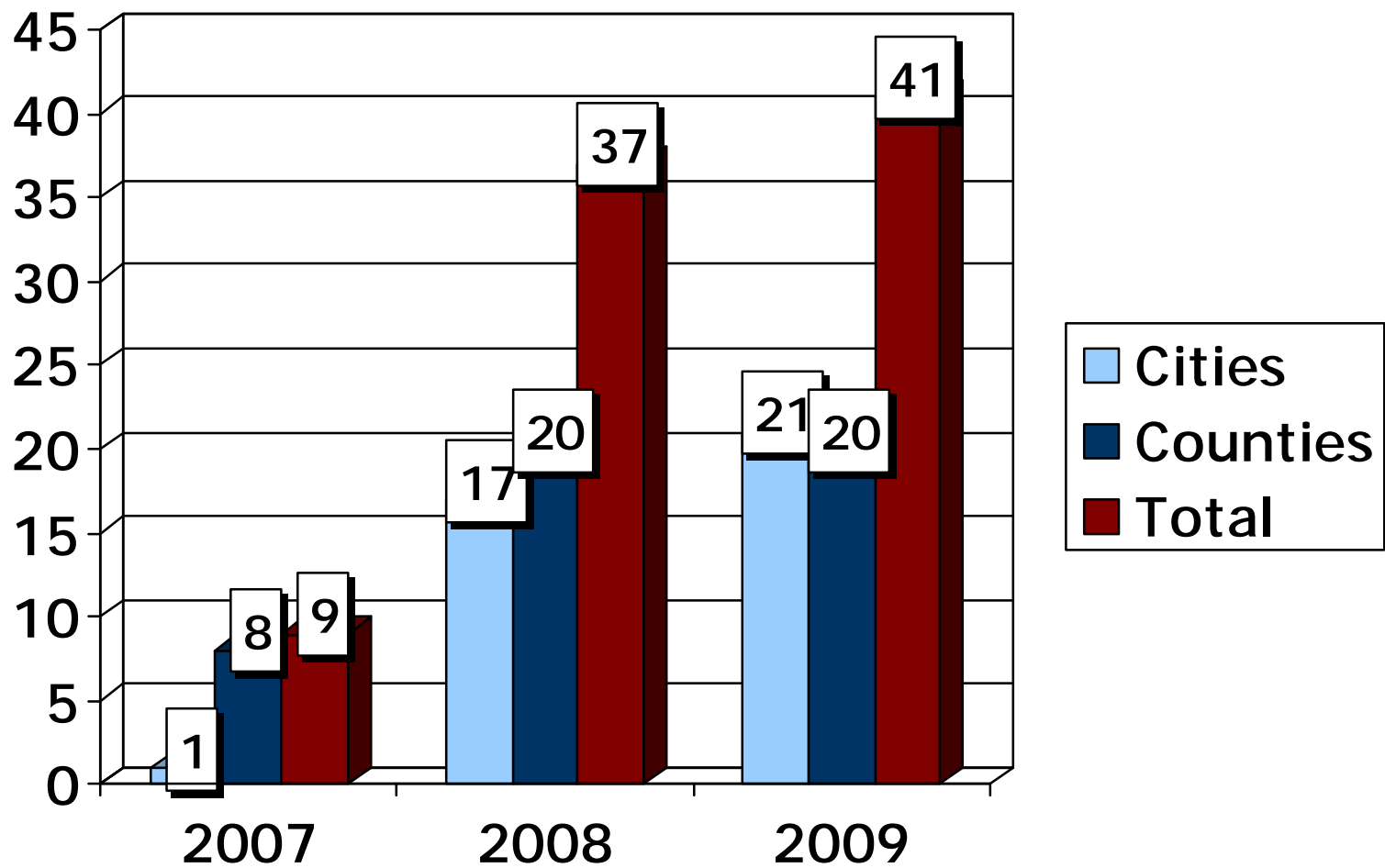
State of Tennessee Tax Freeze Cities Map



State of Tennessee Tax Freeze Jurisdictions Map



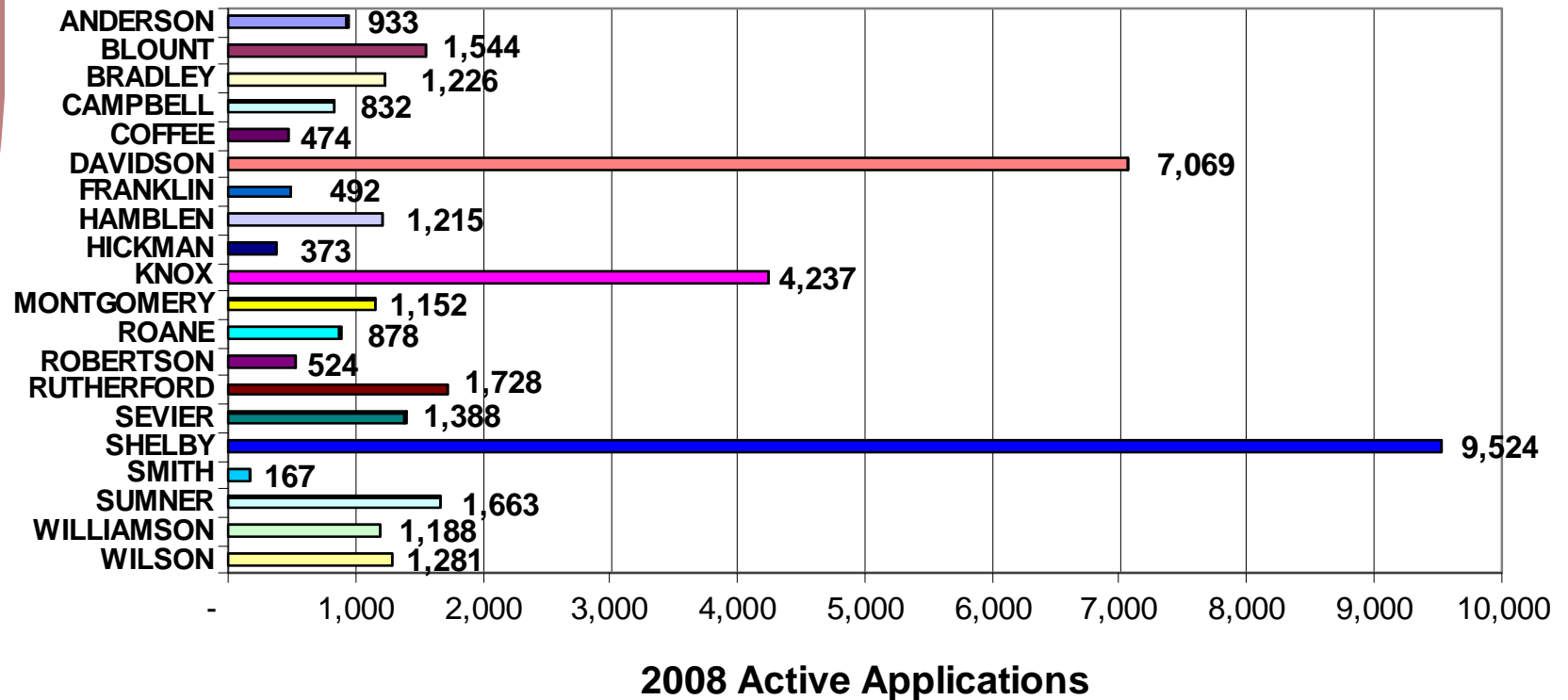
Total Tax Freeze Jurisdictions



As of July 21, 2009

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2008 Active Tax Freeze Applications

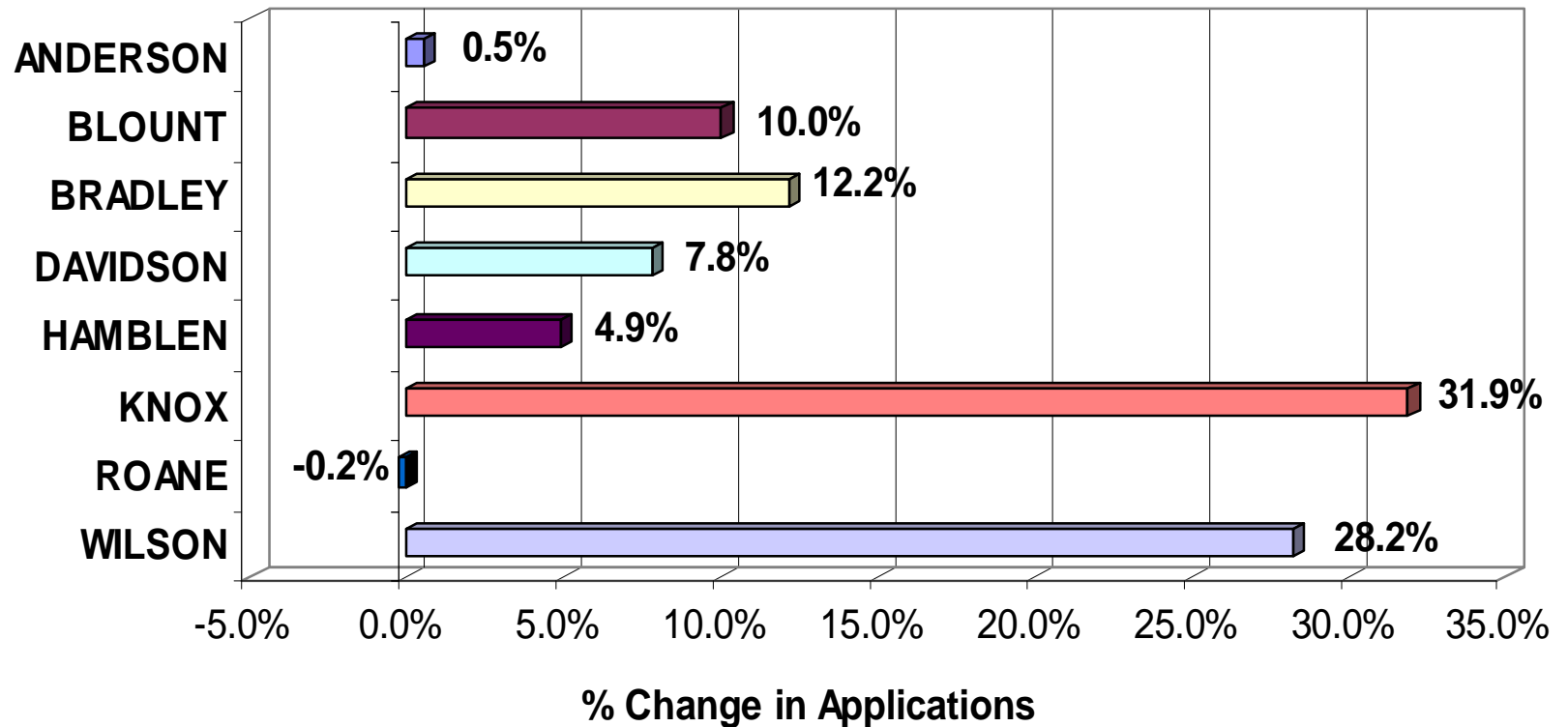


38,000 Total Applications

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Percent Change 2007 -2008 Active Tax Freeze Applications





Administration

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Tax Freeze Web Application

- State program available for use by local Tax Freeze administrators (county and city)
- Secure web-based program
- Collecting official website for entering applications
- Assessor website for entering assessments
- Online interaction between Assessor and collecting official
- Tax Billing module creates separate tax bills for tax freeze properties
- Online summary reports

Office of the Comptroller of the Treasury

State of Tennessee Tax Freeze System

2009 STATE OF TENNESSEE PROPERTY TAX FREEZE APPLICATION

BRADLEY COUNTY

Ownership - Choose 1

☐ Sole Owner ☐ Co-Owners

If applicant's name is not on property tax receipt, provide ownership evidence.

Life Estate - Choose 1

☐ No ☐ Yes

Mobile Home - Choose 1

☐ No ☐ Yes

If yes, provide Title or BOS

County # 006	City # 000	DI <input type="text"/>	MAP <input type="text"/> - <input type="text"/>	Group <input type="text"/>	CNTL MAP <input type="text"/> - <input type="text"/>	Parcel <input type="text"/> . <input type="text"/>	PI <input type="text"/>	SI <input type="text"/>	
-----------------	---------------	----------------------------	--	-------------------------------	---	---	----------------------------	----------------------------	--

Last Name <input type="text"/>	First Name <input type="text"/>	MI <input type="text"/>	Social Security Number <input type="text"/> - <input type="text"/> - <input type="text"/>	Birth Date Mon Day Year <input type="text"/> / <input type="text"/> / <input type="text"/>
-----------------------------------	------------------------------------	----------------------------	--	--

Telephone Number
() -

Applicant Location - Choose 1

☐ Living on Property

☐ Not Living on Property

Street Address of Principal Residence (street, or route with box no.) <input type="text"/> <input type="text"/>	City of Principal Residence <input type="text"/> , TN	Zip Code <input type="text"/> - <input type="text"/> 0000
--	--	--

Mailing Address if different from Address of Principal Residence

- Leave blank if mail goes to property address
- Provide reason for mailing address in the Remarks section
- If APPLICANT is not living on property, the mailing address is always designated as TEMPORARY

Mailing Address (C/O Person's Name, P.O. Box, or Route No. ONLY) <input type="text"/> <input type="text"/>	Mailing City <input type="text"/>	State <input type="text"/>
--	--------------------------------------	-------------------------------



Online Summary Reports

- 2 reports
 - Tax Freeze History Report
 - Looks back at actual data for the selected year
 - Tax Freeze Status Report
 - Looks at current data

Tax Freeze History Report

County: 006 BRADLEY

City: 000 County Record

Tax Billing Year: 2008

Actual numbers
from completed
year

Total of Tax Freeze Assessments:	23,628,680
Total of Assessment Frozen Portions:	21,515,106
Total of Assessment Non-Frozen Portions:	2,099,074
Total Active Jurisdictional Records:	1,093
Total Records Assessed:	1,093
Sum of all Frozen Tax Amounts:	542,055.00
Sum of all Calculated Tax Amounts:	542,271.00
Total Impact for the year:	216.00

<u>Classification</u>	<u>Number of Applicants</u>	<u>Impact to Date</u>
New Applicants for this Tax Year:	1,093	216.00
Applicants with a Partial Freeze due to Acreage:	59	10.00
Applicants with a Partial Freeze due to Mixed-Use:	74	132.00
Applicants with a Total Freeze:	960	74.00

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Tax Freeze Status Report

County: 006 BRADLEY

City: 000 County Record

Tax Year of Application: 2008

Year-to-date
numbers from year
in process

Uses last known
tax rate

Total of Tax Freeze Assessments this year to date:	30,220,800
Total of Assessment Frozen Portions this year to date:	27,474,675
Total of Assessment Non-Frozen Portions this year to date:	2,746,125

Total Active Jurisdictional Records:	1,226
Total Records Assessed:	1,226
Estimated Sum of all Frozen Tax Amounts:	624,257.00
Estimated Sum of all Calculated Tax Amounts:	694,210.00
Estimated Total Impact this year to date:	69,953.00

<u>Classification</u>	<u>Number of Applicants</u>	<u>Impact to Date</u>
New Applicants for this Tax Year:	235	14,295.00
Applicants with a Partial Freeze due to Acreage:	64	5,951.00
Applicants with a Partial Freeze due to Mixed-Use:	57	3,346.00
Applicants with a Total Freeze:	1,105	60,656.00

<u>Classification</u>	<u>Number of Adjustments</u>	<u>Adjustment Dollars</u>
Records with Adjusted Base Tax:	14	728.28

<u>Classification</u>	<u>Number of Voids</u>
Voided Records:	9



Information Flow Between Trustee and Assessor

- Tax Freeze counties on state appraisal system
 - State Tax Freeze System
 - Provides information flow between offices
 - Must be used in order to generate tax billing data and documents with frozen taxes
- Tax Freeze counties on other appraisal systems
 - Use of state Tax Freeze System not optimal when only the Trustee's office uses it
 - When tax freeze assessments are done in another appraisal system, information must still flow between offices
 - Manual information flow (printed documents)
 - Data extracts
 - Unified local system
 - State will be happy to share system concepts

Tax Freeze in IMPACT



- Collecting officials will continue to use existing Tax Freeze System on web
- Assessors will use IMPACT
 - Information passed between IMPACT and Tax Freeze Systems
 - Tax freeze integrated into the appraisal system
 - **% Frozen** entered on each building, outbuilding or land entry subject to tax freeze
 - System calculates assessments on frozen and non-frozen portions based on percentages entered
 - System calculates and preserves frozen taxes
 - When an appraisal change is made on a frozen parcel...
 - System asks whether the frozen tax needs adjustment
 - System calculates adjustment percentage
 - System allows override of adjustment percentage
 - Simpler process for the assessor's office



The Second Year (and thereafter)

2009 Assessor / Trustee Joint Seminar





Re-qualifications

- Applicants must re-qualify every year
- Collecting official...
 - Verifies application information
 - Obtains appropriate year's income information
 - Enters application as a **re-qualification**, not a new application
- Assessor...
 - Verifies ownership
 - Verifies and updates assessments as needed
 - Makes any needed base tax adjustments



When a Re-qualification is Mistakenly Entered as a New Application...

- It is as if the applicant never applied in the first year
- They are starting over on the Tax Freeze
- They are not getting the benefit of the Tax Freeze

This is not the intent of the law!

To Enter a Re-qualification...

For collecting officials:

- Search Tax Freeze records for the applicant
- Click the “Re-qualify” button in the list

Tax Freeze Application Search Results											
BRADLEY COUNTY											
Return to Home Page											
Existing Tax Freeze Records											
1 2 3											
	Status	Last Name	First Name	Property Address	Parcel ID	S	Social Security	App Date	Tax Year	Re-qualify	
Select	Assessed	MADDOX	ALICE	4682 EAST CIR DR NW	03 034G A 034G 01700 000			1/27/2009	2008	NO	Print Re-qualify
Select	Assessed	MADISON	MILDRED	259 LONGVIEW DR SE	01 058O G 058O 00100 000			10/16/2008	2008	YES	Print Re-qualify
Select	Assessed	MAHAFFEY	WILMA	1833 GREENDALE DRIVE NE	03 043P C 043P 01200 000			10/8/2008	2008	YES	Print Re-qualify
Select	Assessed	MANEY	PATRICIA	195 MANEY DR NE	01 050 050 03102 000			4/5/2009	2008	YES	Print Re-qualify

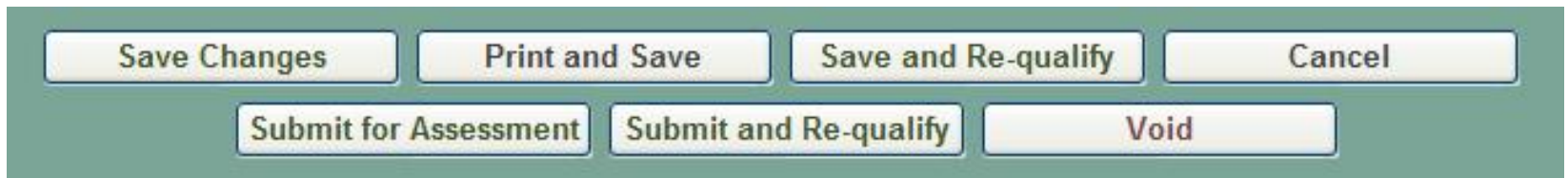


To Enter a Re-qualification...

- An application for the new year with existing applicant data will be displayed
- Enter income and other required data
- Submit for Assessment

To Enter a Re-qualification While Entering a New Application...

*A re-qualification may be entered immediately following a new application by clicking the “**Save and Re-qualify**” or “**Submit and Re-qualify**” button*

A screenshot of a software interface showing a row of buttons. The buttons are arranged in two rows. The top row contains four buttons: 'Save Changes', 'Print and Save', 'Save and Re-qualify', and 'Cancel'. The bottom row contains three buttons: 'Submit for Assessment', 'Submit and Re-qualify', and 'Void'. All buttons have a light beige background and a thin black border.

Save Changes	Print and Save	Save and Re-qualify	Cancel
Submit for Assessment	Submit and Re-qualify	Void	

To Enter a Re-qualification...

For assessors:

- Verify whether the ownership has changed
- Verify whether the property has changed
- Enter assessments for the current year
- Make any needed base tax adjustments

Tax Freeze Re-qualification Assessment (all fields will be saved)						
Acres 0.00	Base Tax Year 2007	Total / Partial Freeze Total	Partial Freeze Reason N/A	2007 Frozen Year Total Assessment 42825	2007 Base Frozen Assessment 42825	2007 Frozen Year Non-Frozen Assessment 0
				Previous Year Total Assessment 42825	Previous Year Assessment for Frozen Portion 42825	Previous Year Assessment for Non-Frozen Portion 0
Click to use previous year assessment				Current Total Assessment 42825	Current Assessment for Frozen Portion 42825	Current Assessment for Non-Frozen Portion 0



The Reappraisal Year

2009 Assessor / Trustee Joint Seminar





Reappraisal/CVU Year Tax Freeze Considerations

- Collecting officials
 - None (except perhaps more applications)
- Assessors
 - Current assessments change on all parcels
 - Current assessments can be updated electronically on total freezes
 - Current assessments (frozen vs. non-frozen portions) must be updated manually on partial freezes
 - Will be streamlined in IMPACT system



Reappraisal/CVU Year Tax Freeze Considerations

- Tax amounts in Reappraisal/CVU year
 - Frozen tax amounts do not change
 - Non-frozen amounts reflect current values and tax rates
 - Base tax adjustments due to physical changes are more complex
 - % difference between frozen portion with change and frozen portion without change
 - Compare “apples and apples”
 - Base tax adjustments made only if physical changes have occurred

Sample Assessment in Reappraisal/CVU Year

Tax Freeze Assessment (all fields will be saved)						
Acres	Base Tax Year	Total / Partial Freeze	Partial Freeze Reason	2008 Frozen Year Total Assessment	2008 Base Frozen Assessment	2008 Frozen Year Non-Frozen Assessment
1.00	2008	Total ▼	N/A ▼	29750	29750	0
Click to use frozen year assessment				Current Total Assessment	Current Assessment for Frozen Portion	Current Assessment for Non-Frozen Portion
				33575	33575	0
<input type="checkbox"/> Base Tax Adjustments Due to Physical Changes						
Assessor Remarks: <div></div>						



For more
information...

2009 Assessor / Trustee Joint Seminar





Tax Freeze Coordinator

Carina Pryor

615-401-7735

Carina.Pryor@tn.gov

2009 Assessor / Trustee Joint Seminar





Web Links

Comptroller's Home Page

- <http://www.tn.gov/comptroller/>

Tax Freeze Program Page

- <http://www.tn.gov/comptroller/pa/taxfreeze.htm>



Constitutional
Amendment

Property Tax
Freeze Act

Administrative
Rules

Tax Freeze
Jurisdictions

2009 Income
Limits

2008 Income
Limits

Frequently
Asked
Questions

State of Tennessee Property Tax Freeze Program

Background

In November 2006, Tennessee voters approved an amendment to [Article II, Section 28](#) of the Tennessee Constitution giving the General Assembly the authority by general law to authorize counties and/or municipalities to implement a local option property tax freeze for taxpayers 65 years of age or older.

In its 2007 session, the 105th General Assembly enacted the [Property Tax Freeze Act](#) which establishes the tax freeze and **authorizes the legislative body of any county and/or municipality to adopt the property tax freeze program. The Act became effective on July 1, 2007.**

Provisions

Homeowners qualifying for the program will have the property taxes on their principal residence frozen at a base tax amount, which is the amount of taxes owed in the year they first qualify for the program. Thereafter, as long as the owner continues to qualify for the program, the amount of property taxes owed for that property will not change, even if there is a property tax rate increase.

In order to qualify, the homeowner must **file an application annually** and must:

- Own their principal place of residence in a participating county and/or city
- Be 65 years of age or older by the end of the year in which the application is filed
- Have an income from all sources that does not exceed the county income limit established for that tax year

In counties or municipalities participating in the Tax Freeze Program, application may be made to the county Trustee or city collecting official.

The state Comptroller's Office will calculate the income limit for each county annually using a formula outlined in state law.

Questions



2009 Assessor / Trustee Joint Seminar





Certified Tax Rate

Truth in Taxation

Kelsie Jones

Executive Secretary, State Board of Equalization



Introduction

- The certified tax rate law provides public disclosure of the impact of property reappraisal on tax rates, by identifying the tax neutral rate
- Once the certified rate is calculated and determined, it may not be exceeded until the city or county has conducted a public hearing preceded by notice



Calculating the Certified Rate

- SBOE supplies estimate on standard form
- Assessor or other local officials review
- Assessor and chief executive sign and return form to SBOE
- SBOE acknowledges receipt and review



CTR Formula

- CTR = Prior year levy divided by Current year base
- Deduct **new real property** from base
- Deduct **new personal property** from base
- Deduct **appeals allowance**
- Add unequalized OSAP **public utility assessments** from prior year



Prior Year Levy

- Usually means taxes initially billed for prior year (not taxes collected)
- Usually determined by multiplying prior rate times prior year assessment aggregate



New Real Property

- Current assessment for buildings new in reappraisal year (CAAS report)
- Adjust if prorated for prior year (assessor must document)
- Can include land assessed as subdivision for first time in reappraisal year (assessor must document)



New Personal Property

- Assessed value of property reported as new for reappraisal year
- Assessor may document other new property in nondepreciable categories
- Levy may be adjusted for deleted property, if documented



Appeals Allowance

- Derived from historic comparison of percentage appeal reductions in reappraisal versus nonreappraisal years
- Must be “recaptured” in following year if estimated reductions do not occur

Calculation Sample

Calculation Form For Certified Tax Rate

COUNTY	JURISDICTION	TAX YEAR
SAMPLE COUNTY (99)	County Basic (2004 \$3.4)	2005
1. Totally Locally Assessed Real Property.		\$1,083,028,485
2. Total Assessed Value of Tangible Personal Property		\$96,063,522
3. Total Locally Assessed Property Value.		\$1,179,092,007
4a. New Construction and Improvements taxable for the first time this year.		\$12,607,776
4b. New Tangible Personal Property taxable for the first time this year.		\$18,613,670
Total of 4a and 4B.	(-)	\$26,221,346
5. Totally Locally Assessed Tax Base Before Adjustments by Board of Equalization.		\$1,152,070,661
6. Net Assessment Gain from Adjustments by County Board of Equalization.		\$0
7. Net Assessment Loss from Adjustments by County Board of Equalization	(-)	\$0
8. Estimated Public Utility Assessments (adjusted by appraisal ratio)	(\$25,402,477 0.0771)	\$33,022,377
9. Total Tax Base.		\$1,166,393,038
10. Prior Year Adjusted Tax Levy.		\$32,007,514
11. Certified Tax Rate (Unless adjusted further by Item 12)		2.70
12. PILOT adjustment, if any	Loss of Revenue \$0	0.00
13. Total of Item 11 and Item 12 equals the proposed certified tax rate		2.70

Assessor

Chief Executive





“Determining” the Certified Rate

- With budget and CTR estimate in hand, city or county governing body *determines* certified rate
- Simple action on motion and second, not to be confused with adoption of final tax rate
- If certified rate is sufficient for budget, compliance is complete
- If budget requires higher rate, proceed to next step



Publication

- Use sample form
- Newspaper of general circulation
- Notice “reasonable under the circumstances”
- Obtain affidavit of publication



Sample Public Notice

NOTICE OF INTENT TO EXCEED CERTIFIED TAX RATE

The _____ County Commission will conduct a public hearing on _____ at _____ p.m., on the County's intent to exceed the certified property tax rate. This public hearing will be held at _____. The certified tax rate as defined by T.C.A. §67-5-1701 is \$_____ per \$100 of assessed valuation. The County's proposed BY 2009 budget, if adopted, will require a proposed tax levy of \$_____ per \$100 of assessed valuation.



Hearing and Adoption of Actual Tax Rate

- Hearing begins with public comment
- Governing body may then vote on actual tax rate



Documentation

- Publisher's affidavit
- Certified copy of ordinance/resolution if CTR is exceeded



Conclusion

- The certified tax rate law (“**truth-in-taxation**”) helps assure taxpayers there is no tax increase hidden in reappraisal
- Compliance can be achieved through attention to the five steps of **calculation, determination, publication, adoption, and documentation**



For Assistance or More Information

State Board of Equalization

615-401-4883

Kelsie Jones, ext.5379


or

Connie Sands, ext. 5387

Information on the Web

<http://www.tn.gov/comptroller/sb/sbcert.htm>

Tennessee Comptroller of the Treasury
State Board of Equalization



Property Tax Overview

Rules of the Board

Greenbelt Guide

Appeal Process

Exemption Process

Appraisal Ratios

Agent Registration

IDB/H&ED Report

Certified Tax Rate

Information Release

IMPACT Project

'Truth-in-Taxation'

Property tax reappraisal and certified tax rates

The closest thing to a prohibition on property taxes being higher in a year of reappraisal is the certified tax rate law, sometimes called "truth in taxation." This is a summary of the law.

Property taxes and reappraisal

Property taxes are the largest single source of funding for local governments, and are used primarily to fund public schools. The tax is based on a percentage of the fair market value of property determined as of January 1 of the tax year. The percentage of value, known as assessed value, varies according to whether the property is farm/residential property (25% of fair market value), commercial/industrial property (40%) or public utility property (55%). In addition to the property value, the other determinant of the total tax bill is the tax rate, expressed as an amount per \$100 of assessed value, which is adopted by county commissions and city councils each year after considering their annual budgets. Taxpayers can discuss or complain about property value at the office of the assessor and the county board of equalization, usually during May or June of the year, and they can discuss or complain about the tax rate at the office or meetings of their county commissioners or city councilmen or aldermen, beginning usually in July of the year.

The law requires that land and buildings be revalued for property tax purposes at least every six years (sometimes more often) because actual property values change at different rates in different parts of the county. Unless the assessor's recorded values change with these actual rates of change in value, the tax as a percentage of the actual value will be greater for one homeowner or business than for another owner of the same type of property.

Certified tax rates



Questions



2009 Assessor / Trustee Joint Seminar



Payment of Taxes on Appealed Assessments

Kelsie Jones

Executive Secretary, State Board of Equalization



Overview of a Property Tax Appeal

- Informal review by assessor
 - Available anytime
 - Especially helpful in reappraisal year to ease load on County Board of Equalization (CBOE)
 - Division of Property Assessments (DPA) may assist



Overview of a Property Tax Appeal

- County Board of Equalization
- State Board of Equalization (SBOE) administrative judge
- Assessment Appeals Commission (AAC)
- State Board of Equalization (review of AAC is discretionary)
- Chancery Court (Court of Appeals for OSAP assessments) County Board of Equalization



Changes to Certified Assessments

- By the assessor, only for clerical mistake (67-5-509), prorated assessment (67-5-603), or back assessment/reassessment (67-1-1005)
- On order of county board, State Board, or a court



Appeal Hearing Cost Fees

- No fee at CBOE
- SBOE processing fee (\$5)
 - The fee is \$1 if the appeal is electronic only
 - This portion of the fee is nonrefundable
- SBOE hearing fee (\$25-\$100)
 - Amount depends on property value
 - Half due at filing covers AJ hearing, remainder due if appeal to AAC
 - Fully refundable if case is settled or withdrawn, or if appellant wins half or more of claim
 - Partly refunded for less than half of claim
 - Non-prevailing party owes refunded cost except settlements and withdrawals



Payment of Taxes During Appeal

- Undisputed portion must be paid, remainder may be paid
 - This is a condition of hearing for Shelby County appeals, a *condition of appeal* elsewhere
 - Must be paid by delinquency date, and no delinquent taxes may have accrued on property
- No delinquency penalty and interest (if undisputed portion is paid), just simple interest only
 - Simple interest applies at Federal Reserve Composite Prime Rate minus two
 - Table at www.comptroller.state.tn.us/sb/sbinfo shows applicable rate

Table at www.comptroller.state.tn.us/sb/sbinfo

FEDERAL RESERVE PRIME INTEREST RATES - USE THESE RATES MINUS TWO PTS.

Date/Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1-Jan	8.50%	9.50%	4.75%	4.25%	4.00%	5.25%	7.25%	8.25%	7.25%	3.25%
1-Feb	8.50%	9.00%	4.75%	4.25%	4.00%	5.25%	7.50%	8.25%	6.00%	3.25%
1-Mar	8.75%	8.50%	4.75%	4.25%	4.00%	5.50%	7.50%	8.25%	6.00%	3.25%
15-Mar	8.75%	8.50%	4.75%	4.25%	4.00%	5.50%	7.50%	8.25%	6.00%	
1-Apr	9.00%	8.00%	4.75%	4.25%	4.00%	5.75%	7.75%	8.25%	5.25%	
1-May	9.00%	7.50%	4.75%	4.25%	4.00%	5.75%	7.75%	8.25%	5.00%	
1-Jun	9.50%	7.00%	4.75%	4.25%	4.00%	6.00%	8.00%	8.25%	5.00%	
1-Jul	9.50%	6.75%	4.75%	4.00%	4.25%	6.25%	8.25%	8.25%	5.00%	
1-Aug	9.50%	6.75%	4.75%	4.00%	4.25%	6.25%	8.25%	8.25%	5.00%	
1-Sep	9.50%	6.50%	4.75%	4.00%	4.50%	6.50%	8.25%	8.25%	5.00%	
1-Oct	9.50%	6.00%	4.75%	4.00%	4.75%	6.75%	8.25%	7.75%	5.00%	
1-Nov	9.50%	5.50%	4.75%	4.00%	4.75%	7.00%	8.25%	7.50%	4.00%	
1-Dec	9.50%	5.00%	4.25%	4.00%	5.00%	7.00%	8.25%	7.50%	4.00%	
15-Dec	9.50%	4.75%	4.25%	4.00%	5.25%	7.25%	8.25%	7.25%	4.00%	



Payment of Taxes During Appeal

- Simple interest accrues as of delinquency date
 - except Shelby County, where interest accrues as of date of overpayment)
- Office of State Assessed Properties (OSAP) assessments
 - County/city may decline to accept disputed portion of tax
 - Refund by lump sum or credit, county/city choice



Payment of Taxes After Appeal

- If delinquency penalty and interest were suspended during the appeal to the SBOE, the taxpayer should be allowed at least **30 days** after SBOE certificate to pay tax without delinquency penalty and interest, since the administrative appeal is still open to this point
- If taxpayer appeals to court, the court may issue a stay against enforcement until the appeal is resolved, although a bond is usually required
- Interest/penalty on stayed tax accrues at statutory rate unless otherwise ordered by court




Delinquent Tax Suits Pending Appeal

- The only explicit stay on collection is in certain cases of reappraisal, but the best practice seems to be not to judicially enforce collection while an administrative appeal is pending.
- Suit for tax under appeal may conflict with Section 67-5-1512.

Information on the Web

<http://www.tn.gov/comptroller/sb/sbappeal.htm>

Tennessee Comptroller of the Treasury
State Board of Equalization



Property Tax Overview

Rules of the Board

Greenbelt Guide

Appeal Process

Exemption Process

Appraisal Ratios

Agent Registration

IDB/H&ED Report

Certified Tax Rate

Information Release

IMPACT Project

Get Acrobat Reader

Appealing Property Taxes in Tennessee

A disputed assessment must usually be appealed to the county board of equalization *or it becomes final for that year. Do not submit an appeal to the State Board of Equalization until you have first appealed to the county board of equalization which meets in May or June each year. Contact the assessor's office to appeal to the county board of equalization. Contact the assessor in your county to schedule an appeal before the county board of equalization.*

Decisions of the county boards may be appealed to the State Board of Equalization, but must be filed by August 1 or within 45 days from the county board notice, whichever is later.

Appeals to the State Board require payment of a fee and filing of a written form that may be downloaded at this web site. You may also submit your appeal electronically to meet the time deadline so long as you submit the written verification and fee before we schedule the appeal for hearing.

After you have filed your written appeal form or verification, we will schedule hearings as soon as possible and you will be notified of the time and date of your appeal hearing.

This website supports the appeal process in the following ways:

- To learn more about your assessment click here [\[Learning More About Your Assessment\]](#).
- For the address and phone number of your assessor of property, click here [\[Assessors and Trustees\]](#).
- To download an appeal form, click here [\[Appeal Form\]](#).

Questions



2009 Assessor / Trustee Joint Seminar





Office of State Assessed Properties (OSAP)

The 96th Assessor of Property

Gary Harris

Assistant Director, Office of State Assessed Properties

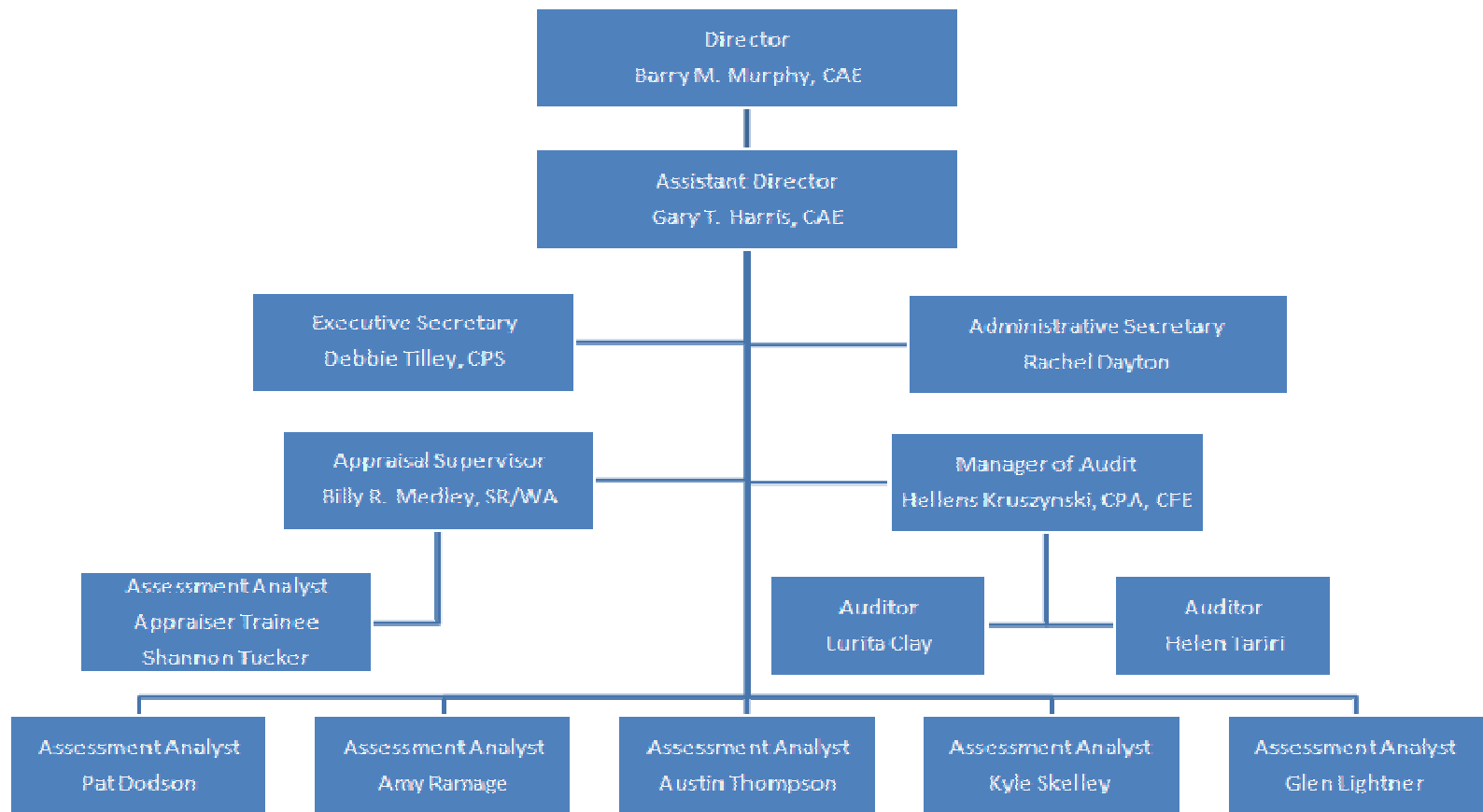


Summary of Duties

- The Office of State Assessed Properties is responsible for the following :
 - annual appraisals, assessments and audits of public utility and transportation properties
 - certification of assessments to counties, cities and other taxing jurisdictions
 - preparation of tax rolls, tax notices, receipts, and tax books
 - administration of the Telecommunications Ad Valorem Tax Reduction Fund

OFFICE OF STATE ASSESSED PROPERTIES

ORGANIZATIONAL CHART



2009 Assessor / Trustee Joint Seminar

OSAP Timeline

AVR's available for public download
Certification mailed
Field audits
Discovery

Statutory AVR filing date is 4/1
Appraisal and assessment work
Financial/desk/field audits
Statutory AVTRF refund payment is 6/1

Statutory notification of assessments on 1st Monday in Aug.
Statutory exceptions due 10 days after 1st Monday
Field audits

Statutory filing of assessments with SBOE
Field audits

Certification by SBOE to OSAP
Distribution
Field audits
Certification Mailed

|-----|-----|-----|-----|-----|
Jan-Mar Apr-Jul Aug Sept. Oct-Dec



Partners In Property Taxes

- County Assessor of Property
- County Trustee
- City Recorder or City Treasurer



Tennessee Code

- 67-5-1301. Assessment by comptroller of the treasury.
 - (a) The comptroller of the treasury is authorized and directed to assess for taxation, for state, county, and municipal purposes, all of the properties of every description, tangible and intangible, within the state, owned by and all personal property used and/or leased by the following named persons hereinafter referred to as companies, namely:



TN Appraised Values

Airfreight Companies	\$1,376,291,000
Airline Companies	758,870,000
Barge Line Co's	153,669,000
Electric Cooperatives	1,944,644,000
Electric Companies	62,997,000
Gas Companies	440,678,000
Motor Bus Co's	30,680,000
Motor Carrier Co's	1,869,958,000
Private Car Co's	391,306,000



TN Appraised Values

Pipeline Companies	\$ 752,420,000
Power Transmission	141,447,000
Railroads	1,548,828,000
Telephone Co-ops	237,700,000
Telephone Long Dist.	272,548,000
Telephone Co's	2,448,446,000
Wireless Carrier	2,098,666,000
Wireless Mgmt.	269,275,000
Water and Sewerage	111,539,000



Grand Total OSAP Appraisal for Tax Year 2008

\$14,879,962,000



Number of Companies Appraised by OSAP for Tax Year 2009

1,929



Total OSAP Companies Audited for Calendar Year 2008

2,002 (Desk Audits)

225 (Internal)

50 (External)



What are the Results?

\$200,547,000

Property Taxes for
Local Government



Contact Information

Director- Barry Murphy

Office of State Assessed Properties

414 Union Street, Suite 1120

Nashville, Tennessee 37243-1402

Phone (615) 741-0140

FAX (615) 741-0142



Questions



2009 Assessor / Trustee Joint Seminar





Wrap Up and Final Questions

Tom Fleming

Assistant to the Comptroller for Assessments



Thank You
for Attending